

Housing Market Forecasts for the 2nd Half of the Year



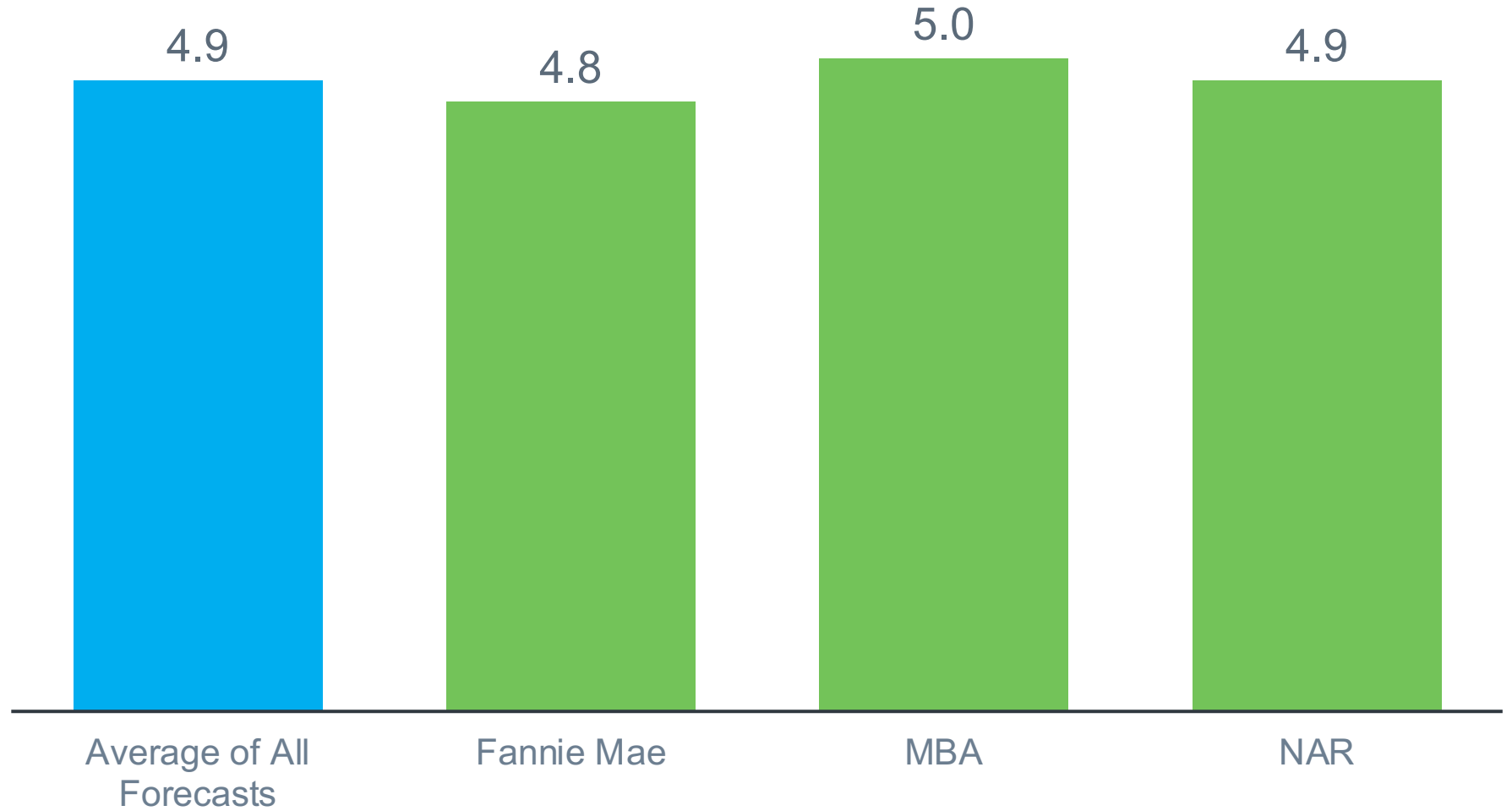


Home sales have lingered at 30-year lows, and since 70 million more Americans live in the country now compared to three decades ago, it's inevitable that sales will rise in coming years. Inventory will grow steadily from more home construction, and various life-changing events will require people to trade up, trade down or move to another location.

- **Lawrence Yun**, Chief Economist, NAR

2024 Total Home Sales Forecasts

In Millions



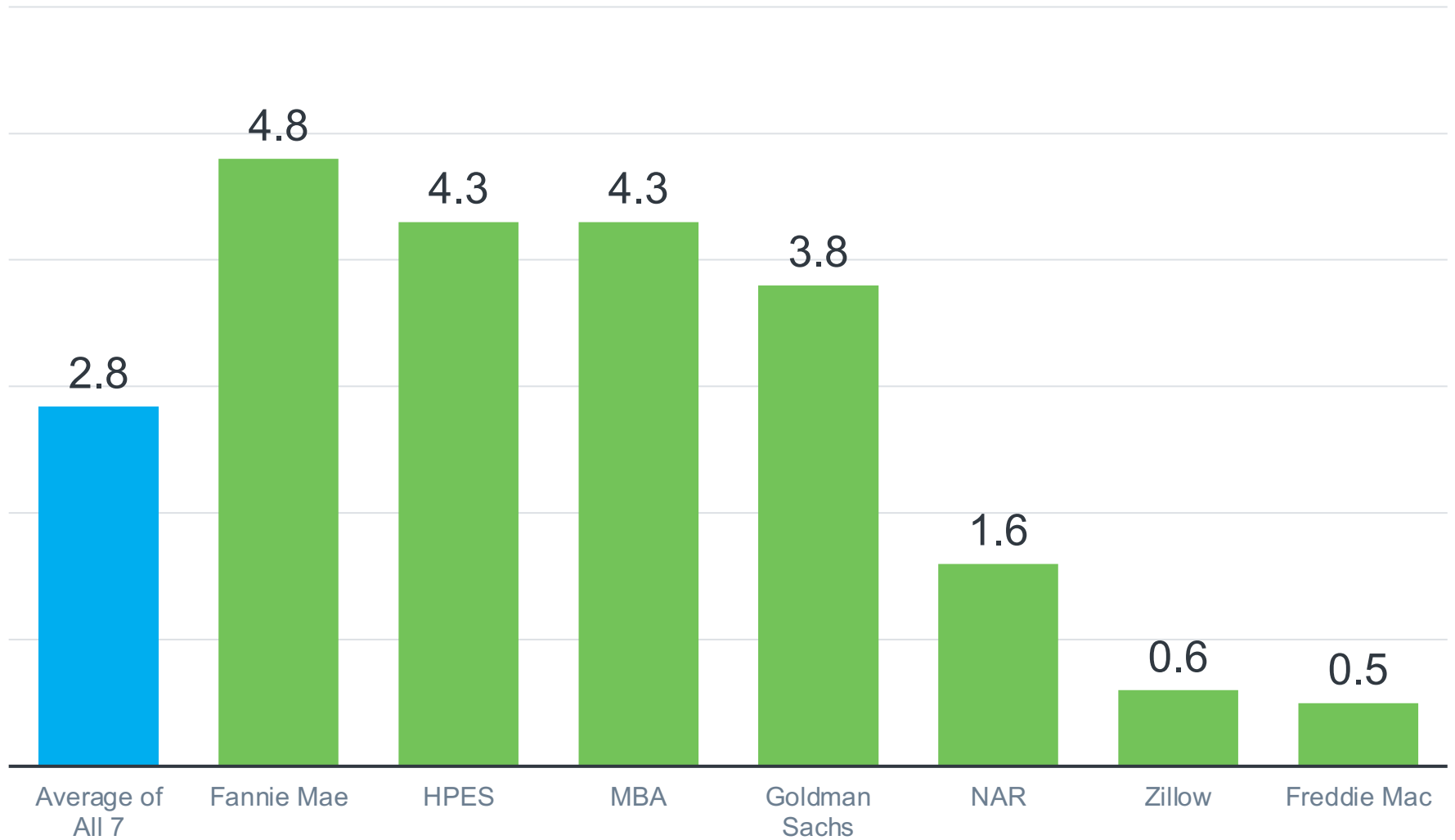


The market is at an interesting point with rising inventory and lower demand. Supply and demand movements suggest easing home price appreciation in upcoming months. Inevitably, more inventory in a job-creating economy will lead to greater home buying, especially when mortgage rates descend.

- **Lawrence Yun**, Chief Economist, NAR

2024 Home Price Forecasts

Percent Appreciation/Depreciation

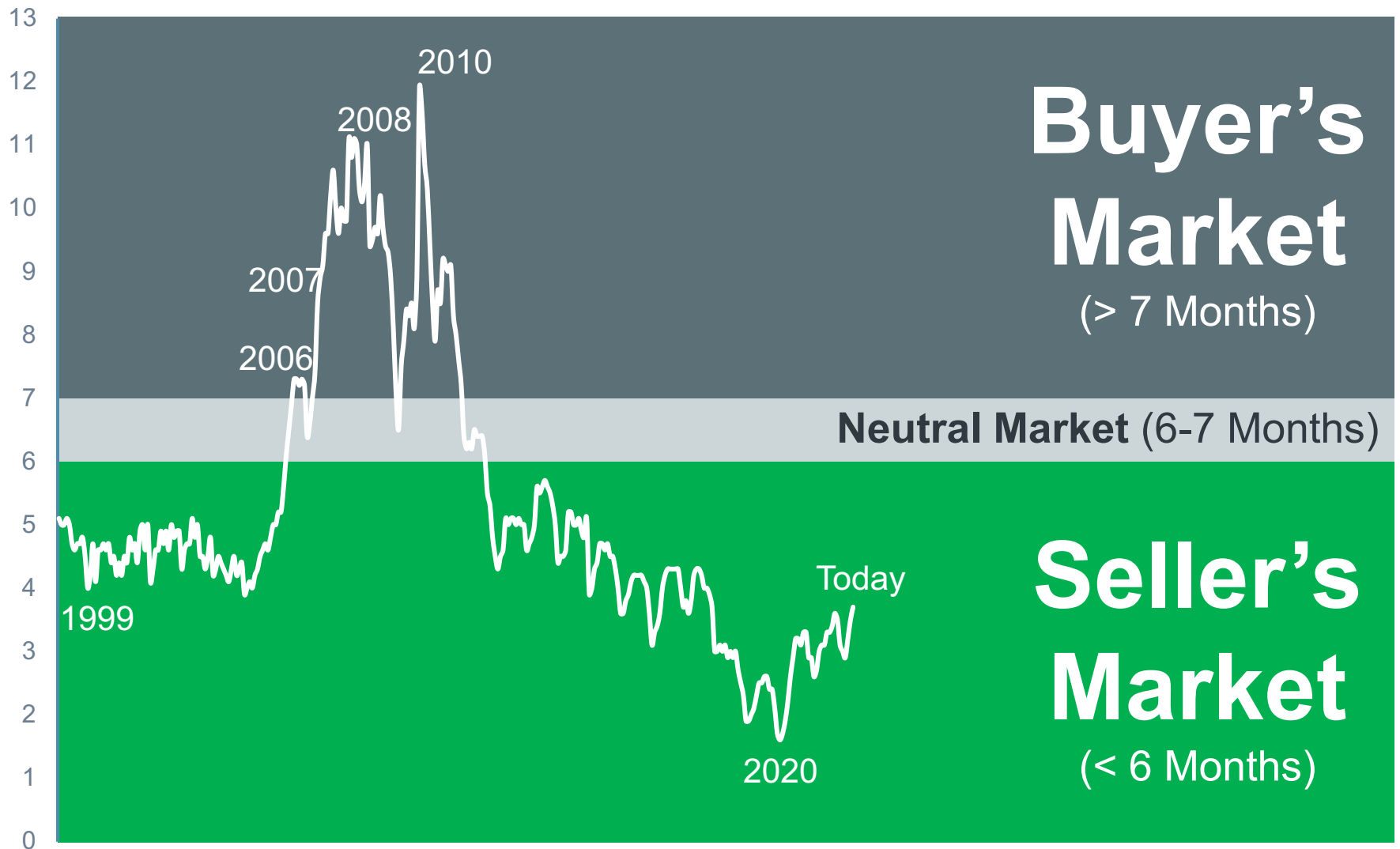




One thing that seems to be pretty solid is that home prices are going to continue to go up, and the reason is that we don't have housing inventory.

- **Jessica Lautz**, Deputy Chief Economist, NAR

Months' Inventory of Homes for Sale



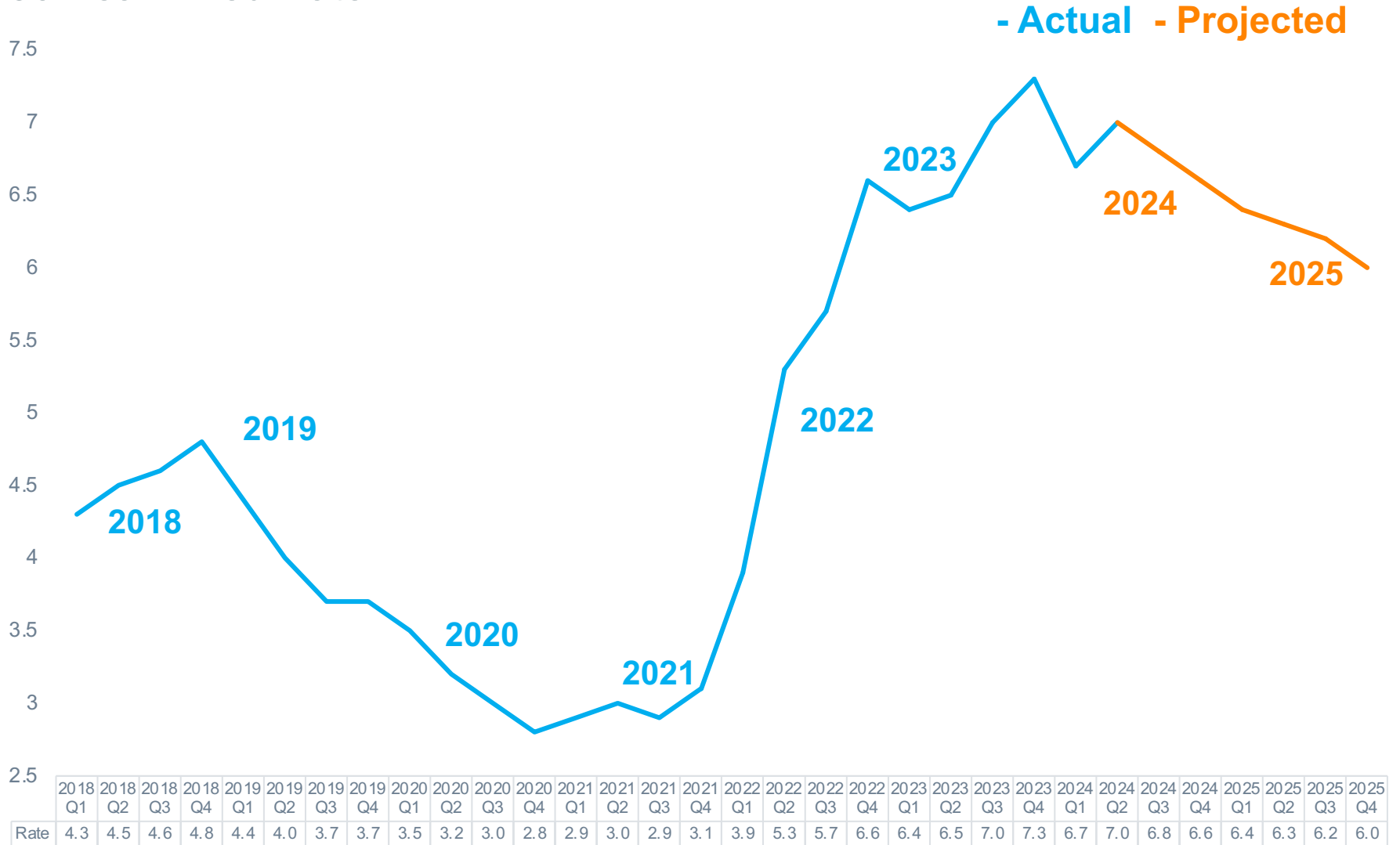
Mortgage Rate Projections

June 2024

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2024 Q3	6.80%	6.80%	6.90%	6.83%
2024 Q4	6.70%	6.60%	6.70%	6.67%
2025 Q1	6.60%	6.40%	6.50%	6.50%
2025 Q2	6.50%	6.30%	6.40%	6.40%

Mortgage Rates

30-Year Fixed Rate



When Will the Federal Reserve Cut the Fed Funds Rate?

	First Cut
MUFG	July
Barclays	September 
Citigroup	September 
Evercore ISI	September 
Fannie Mae	September 
Goldman Sachs	September 
HSBC	September 
Kalshi	September 
MBA	September 
Morgan Stanley	September 
Nomura	September 
Oxford Economics	September 

	First Cut
TD Securities	September 
UBS	September 
Wells Fargo	September 
JP Morgan	November
Bank of America	December
BNPP	December
Deutsche Bank	December
LH Meyer	December
RBC	December
Jefferies	2025
Mizuho	2025
Societe Generale	2025



When it comes to the real estate forecast for the next 5 years, I'm cautiously optimistic. I believe we're going to see a lot of ebb and flow over the next 5 years — some highs, some lows, but overall, a healthy market. Prices should continue to rise, though more slowly, and buyers might enjoy more options as inventory expands. But remember, real estate is profoundly local. What happens on a national scale can manifest differently in your backyard.

- **Dennis Shirshikov**,
Adjunct Professor of Economics, City University of New York



How Will the 2024 Election Affect the Real Estate Market?



Presidential election years affect the national housing market and mortgage rates through three interrelated channels: uncertainty, policy expectations, and consumer confidence . . .

This is because consumers may choose to postpone major purchases or sales until they gain greater confidence in the country's direction.

- **AI Lord**, Founder and CEO, Lexerd Capital Management

Recent Elections and Economic Uncertainty

Global financial crisis and recession

2008



Fiscal cliff, major health care expansion review by the Supreme Court, and a European debt crisis

2012



The Brexit referendum

2016



Global pandemic

2020



High inflation and war

2024



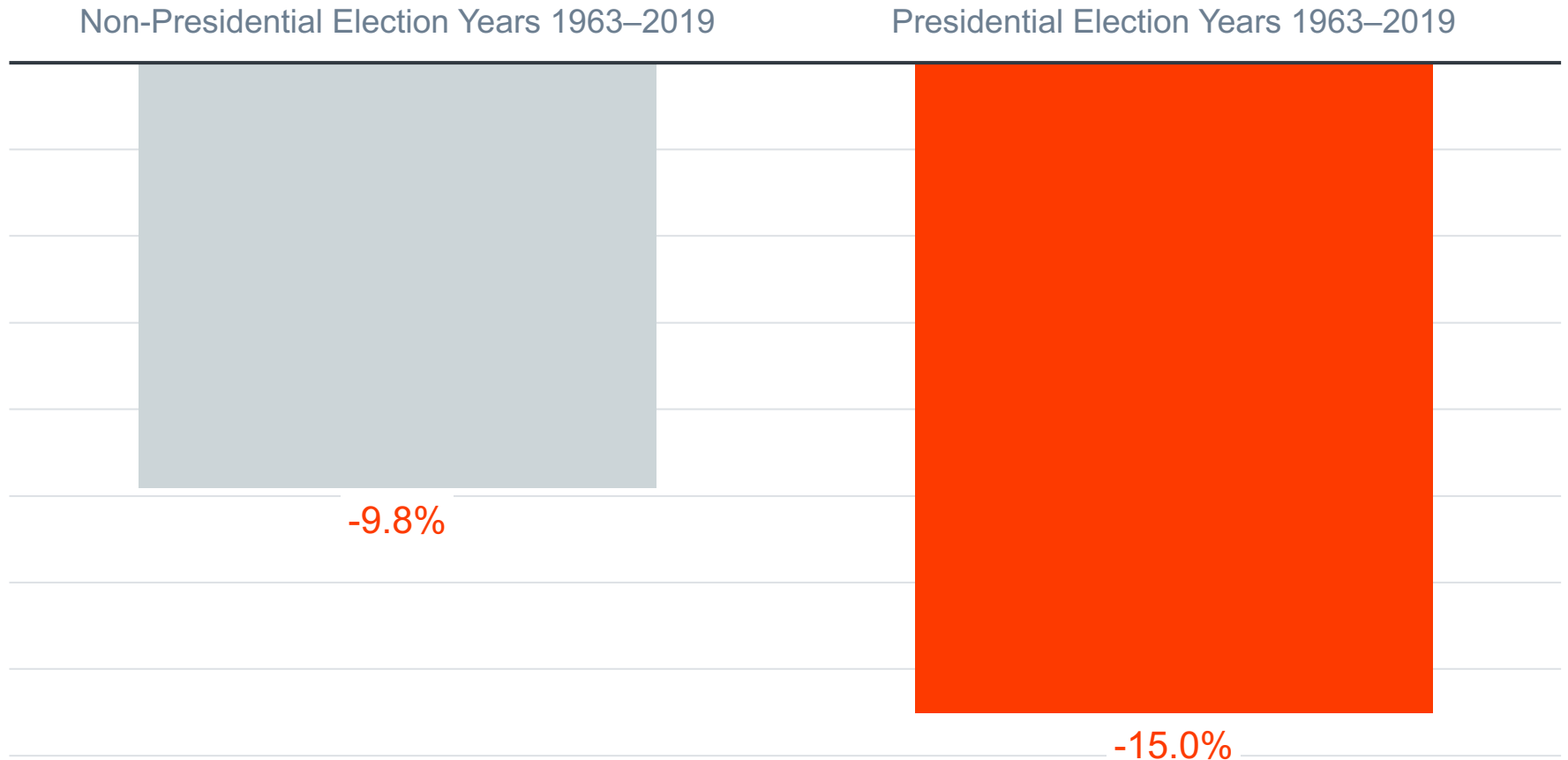


Usually, home sales are unchanged compared to a non-election year with the exception being November. In an election year, November is slower than normal.

- **Ali Wolf**, Chief Economist, Zonda

Seasonal Drop in Sales Sharper in Presidential Election Years

Percent Change in Actual Monthly New Home Sales, October to November



Home Sales Went Up After 9 of the Last 11 Presidential Elections

U.S. Annual Existing Home Sales

Election Year	Year After	
1980: 2,973,000	1981: 2,419,000	↓
1984: 2,868,000	1985: 3,214,000	↑
1988: 3,594,000	1989: 3,290,000	↓
1992: 3,431,000	1993: 3,737,000	↑
1996: 4,167,000	1997: 4,374,000	↑
2000: 5,173,000	2001: 5,335,000	↑
2004: 6,778,000	2005: 7,080,000	↑
2008: 4,110,000	2009: 4,340,000	↑
2012: 4,660,000	2013: 5,090,000	↑
2016: 5,450,000	2017: 5,510,000	↑
2020: 5,640,000	2021: 6,120,000	↑



An election year doesn't alter the price trend that is already happening in the market.

- **Ryan Lundquist**, Residential Appraiser and Housing Analyst

Existing Home Prices Went Up After 7 of the Last 8 Presidential Elections

U.S. Annual Median Sales Price of Existing Single-Family Houses Sold

Election Year	Year After	
1992: \$105,500	1993: \$109,100	↑
1996: \$122,600	1997: \$129,000	↑
2000: \$147,300	2001: \$156,600	↑
2004: \$195,200	2005: \$219,000	↑
2008: \$196,600	2009: \$172,100	↓
2012: \$177,200	2013: \$197,400	↑
2016: \$235,500	2017: \$248,800	↑
2020: \$296,700	2021: \$350,700	↑

New Home Prices Went Up After 10 of the Last 11 Presidential Elections

U.S. Annual Median Sales Price of New Single-Family Houses Sold

Election Year	Year After	
1980: \$64,600	1981: \$68,900	↑
1984: \$79,900	1985: \$84,300	↑
1988: \$112,500	1989: \$120,000	↑
1992: \$121,500	1993: \$126,500	↑
1996: \$140,000	1997: \$146,000	↑
2000: \$169,000	2001: \$175,200	↑
2004: \$221,000	2005: \$240,900	↑
2008: \$232,100	2009: \$216,700	↓
2012: \$245,200	2013: \$268,900	↑
2016: \$307,800	2017: \$323,100	↑
2020: \$336,900	2021: \$397,100	↑



In December [following an election], and in the following year, the sales that are lost during November are recovered. It isn't that consumers say, 'I'm nervous, and I never want to buy.' They say, 'I'm nervous. Let's just wait to see how things play out.'

- **Ali Wolf** (2020)

Mortgage Rates Decreased Leading Up to 8 of the Last 11 Presidential Elections

Change from July to November of Recent Election Years

Election Year	Change	Difference
1980	12.19% to 14.21%	+2.02%
1984	14.67% to 13.64%	-1.03%
1988	10.43% to 10.27%	-0.16%
1992	8.13% to 8.31%	+0.18%
1996	8.25% to 7.62%	-0.63%
2000	8.15% to 7.75%	-0.40%
2004	6.06% to 5.73%	-0.33%
2008	6.43% to 6.09%	-0.34%
2012	3.55% to 3.35%	-0.20%
2016	3.44% to 3.77%	+0.33%
2020	3.02% to 2.77%	-0.25%



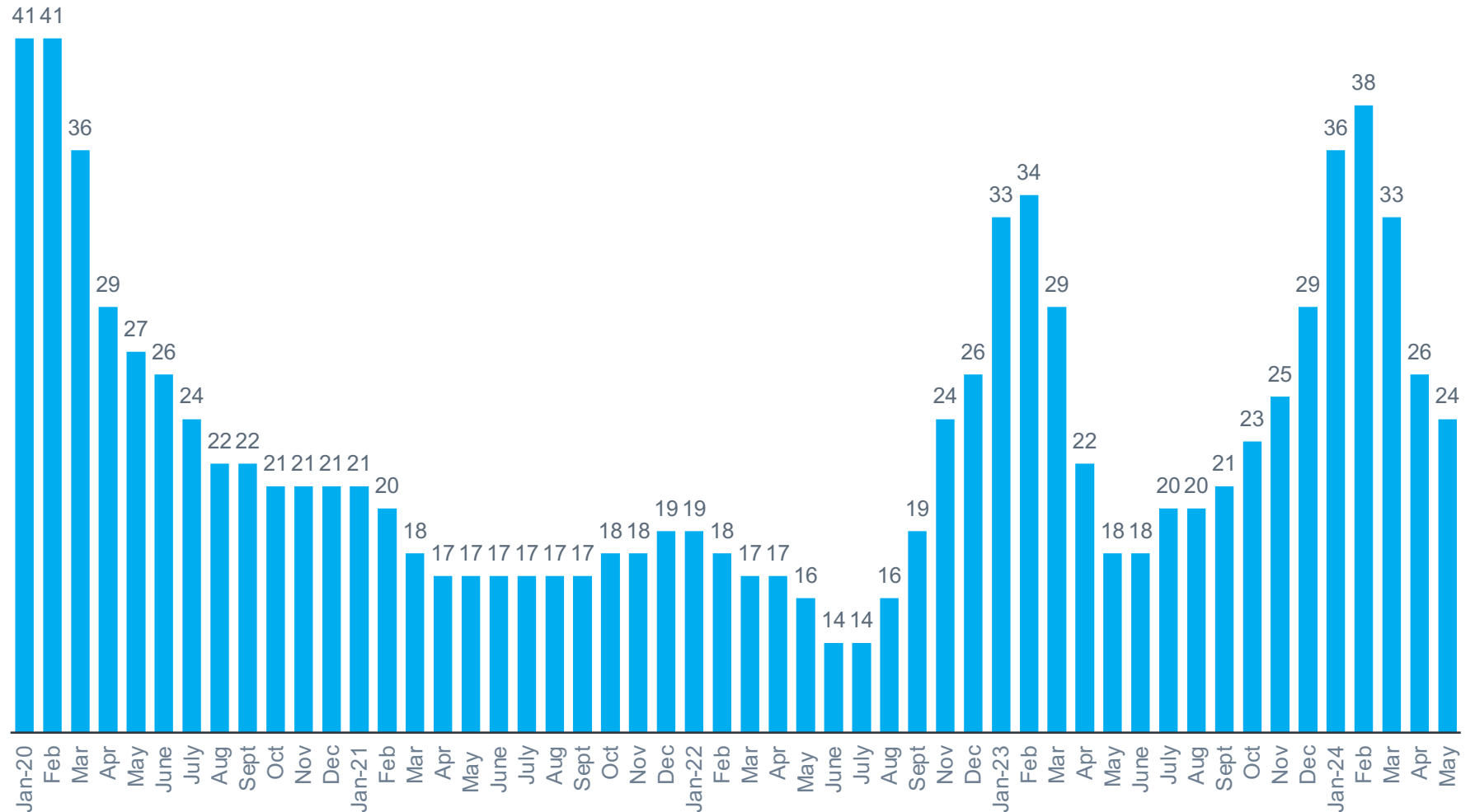
For most Americans, election results will have little direct effect on their income and therefore should not significantly impact their decision to buy or sell a home.



Home Sales

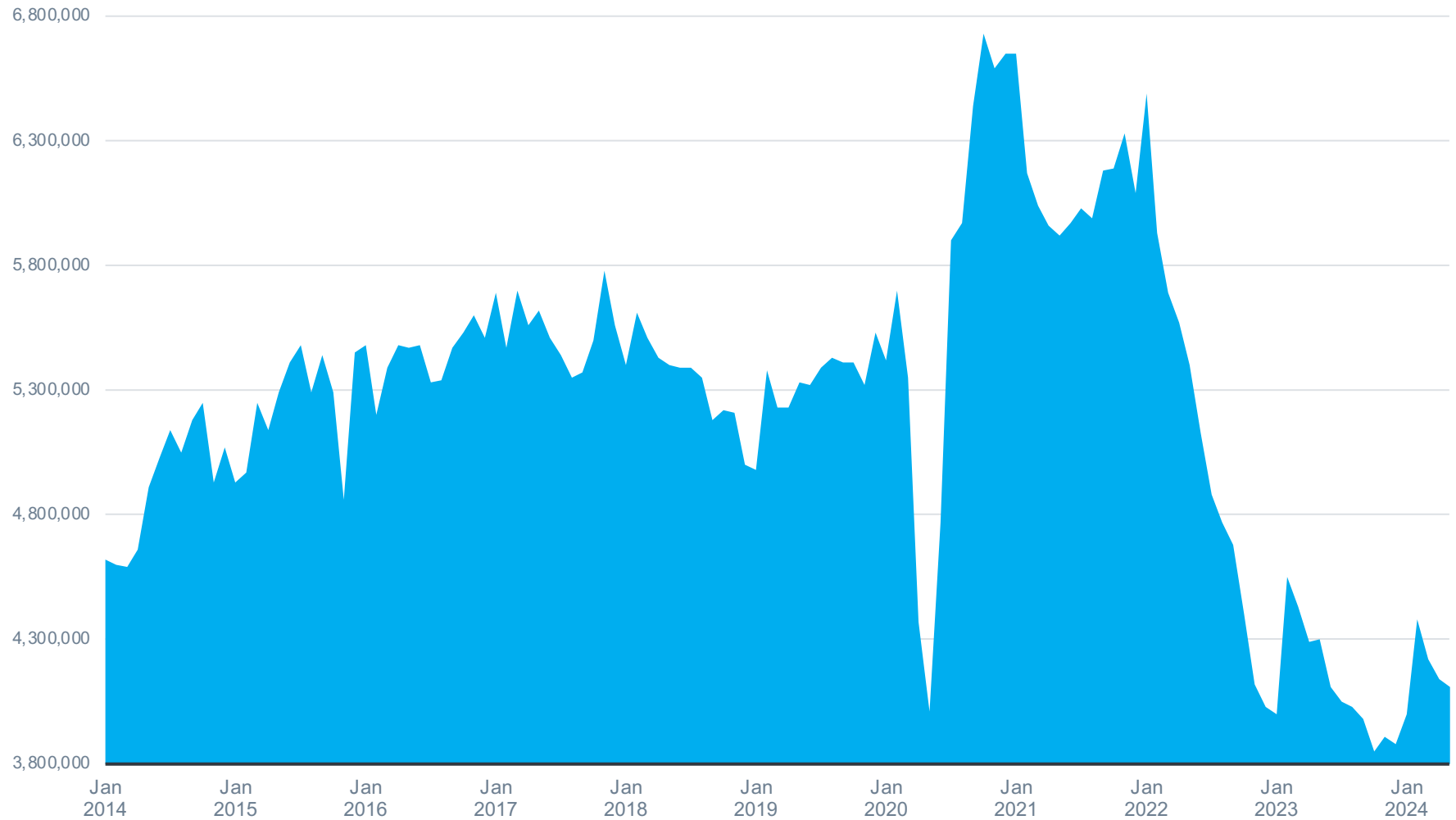
Average Days on the Market

May 2024



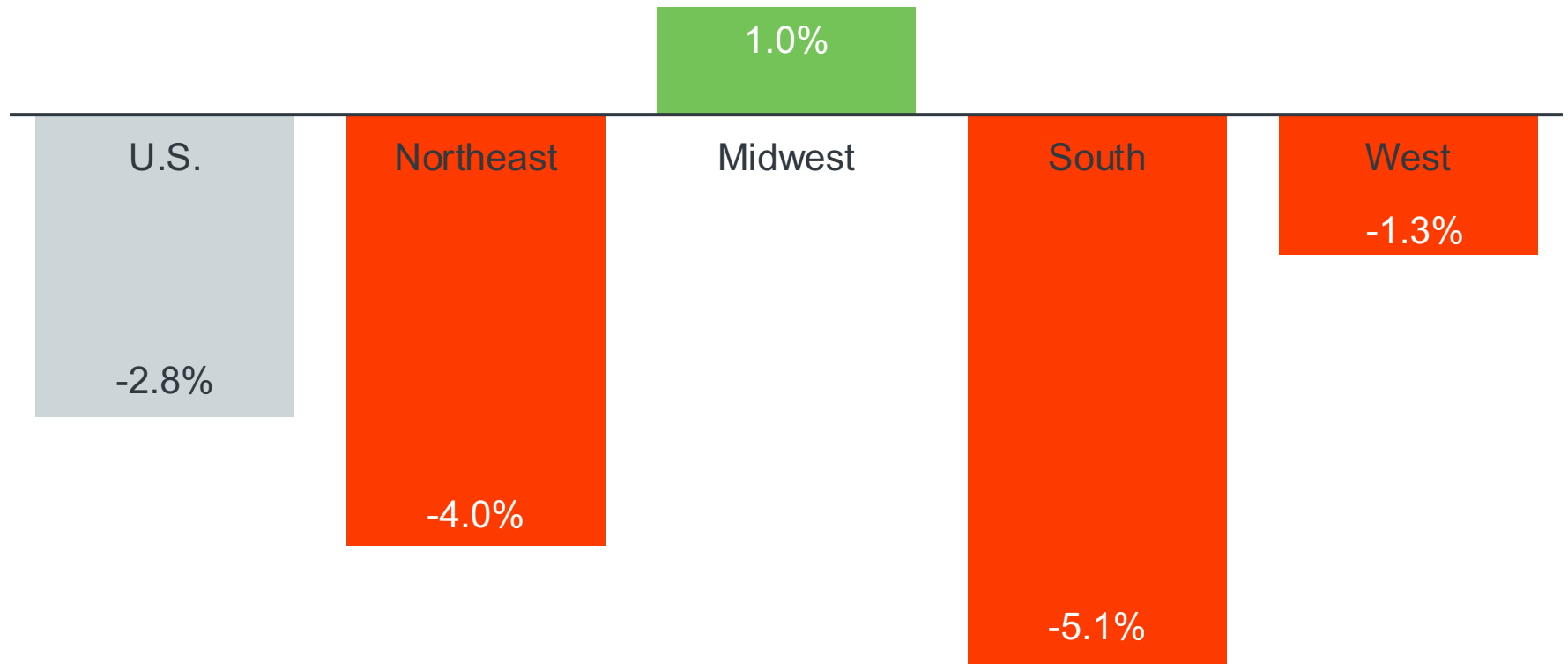
Existing Home Sales

Since January 2014



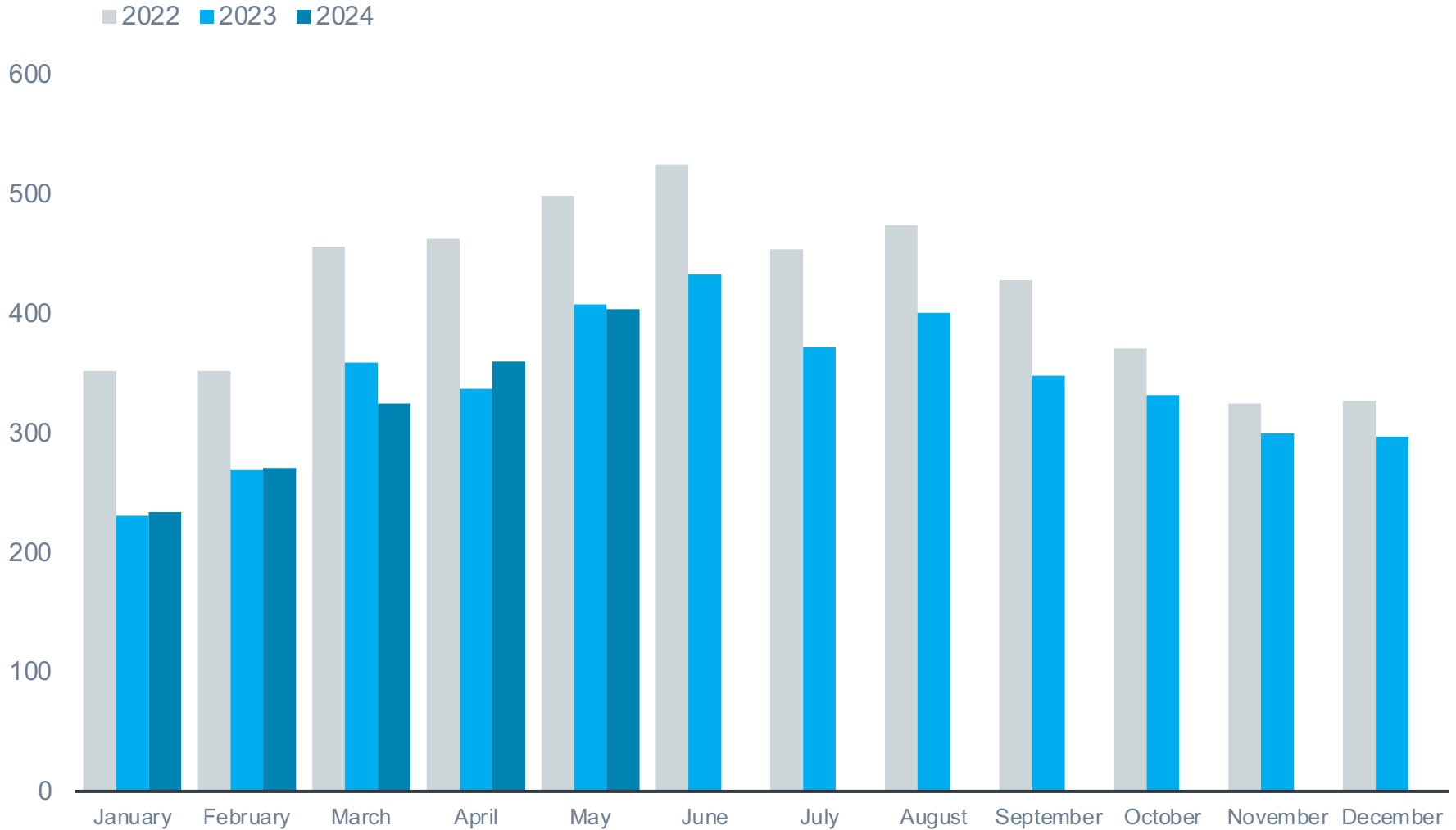
Existing Home Sales

Year-Over-Year, by Region



Existing Home Sales

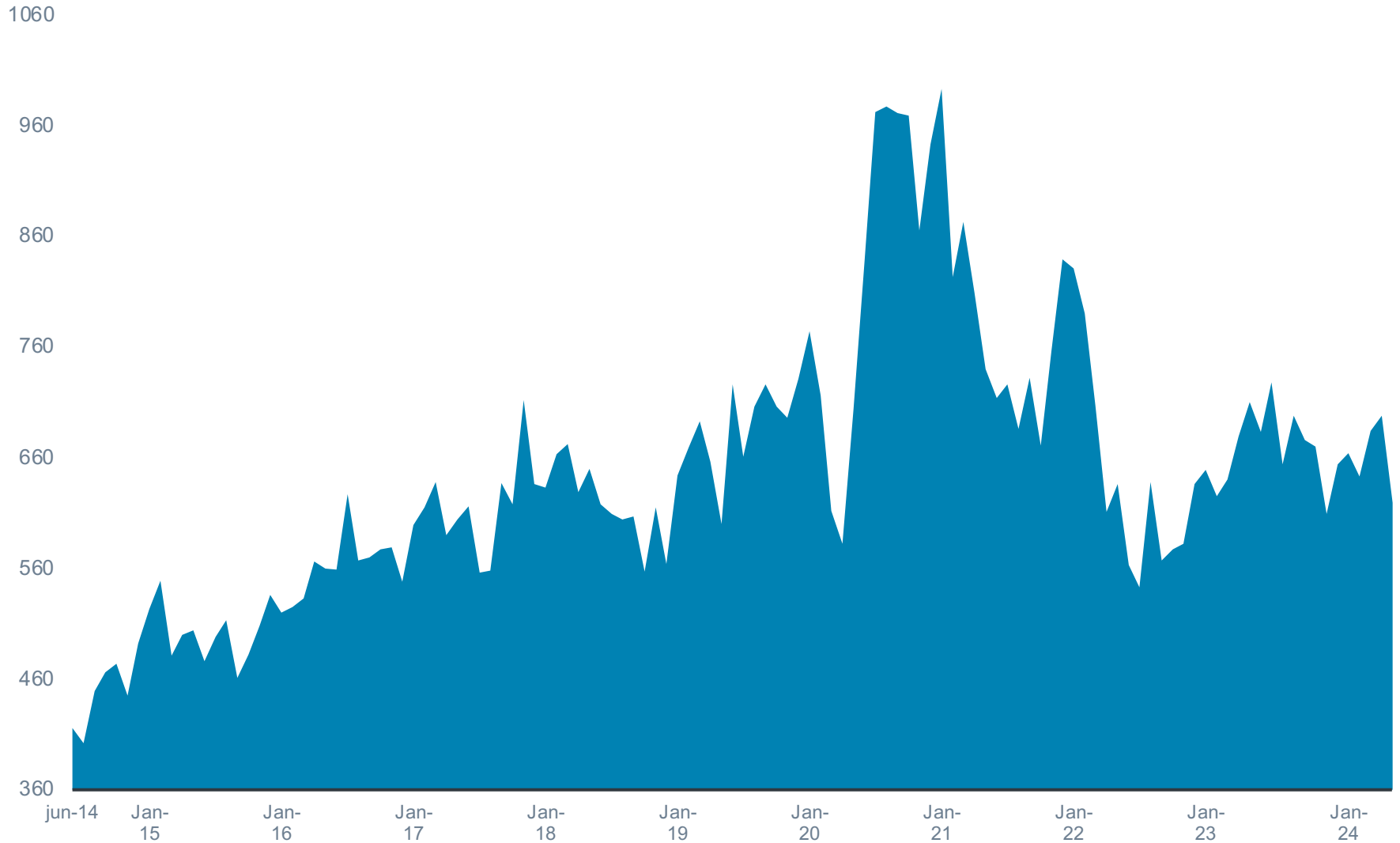
In Thousands



Source: NAR

New Home Sales

Annualized in Thousands

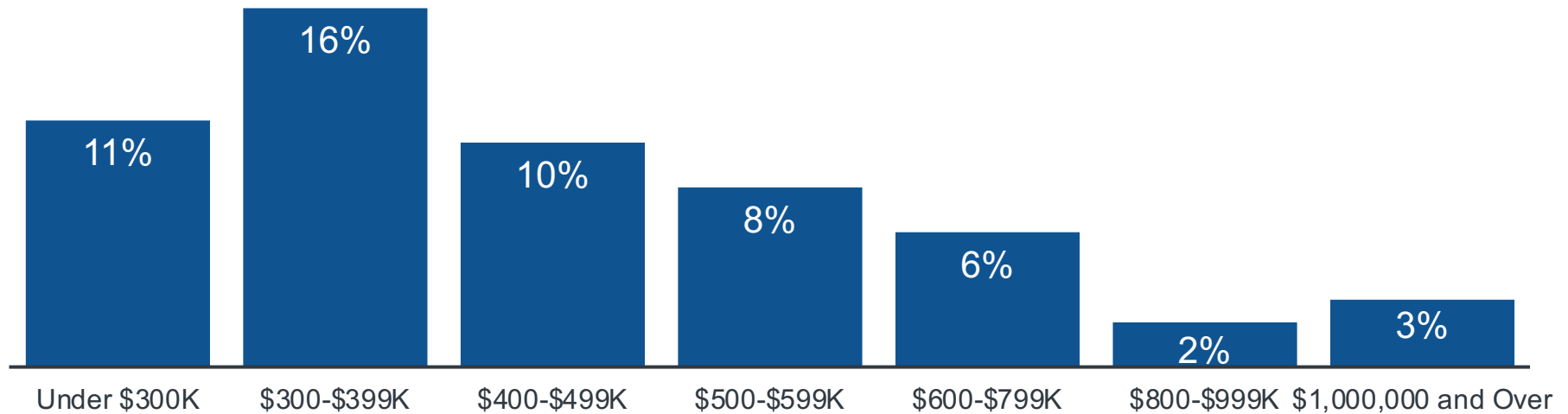


Source: Census

New Home Sales

Percent of Distribution by Price Range

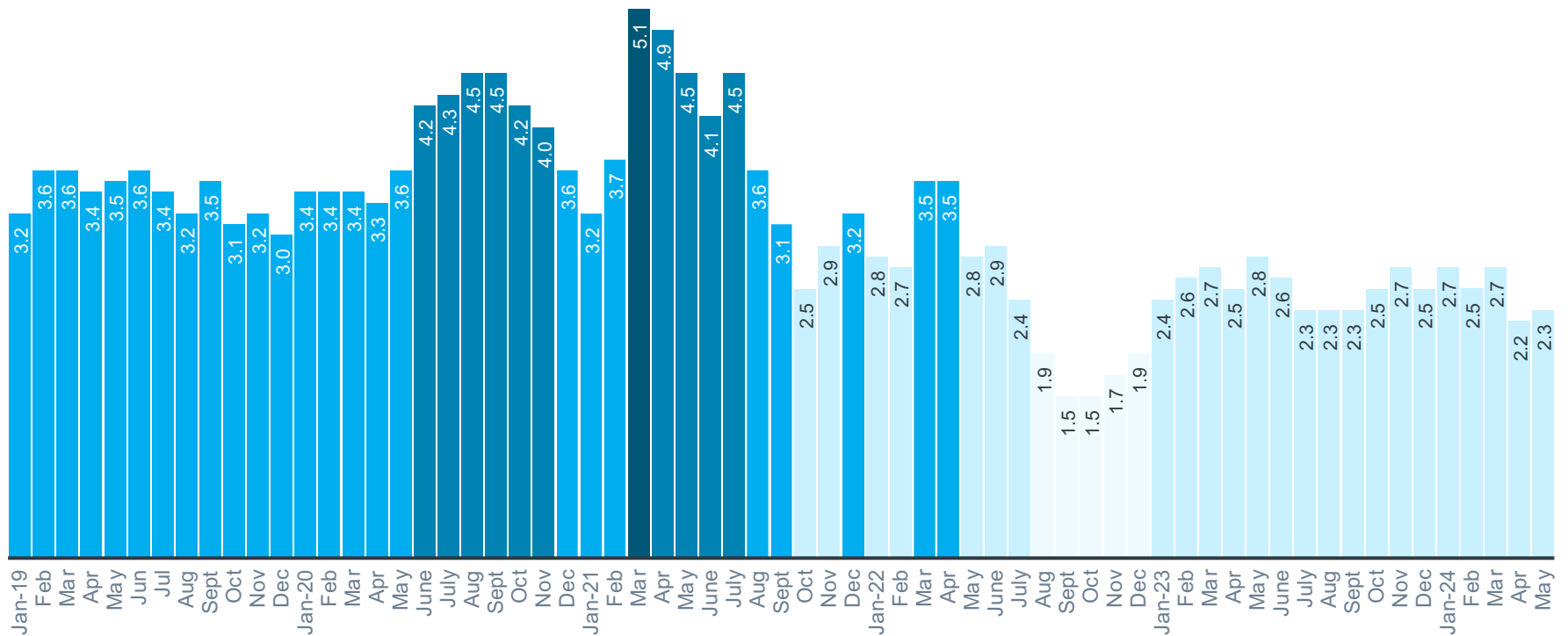
* Less Than 500 Units or Less Than 0.5 Percent



Source: Census

New Homes Selling Fast

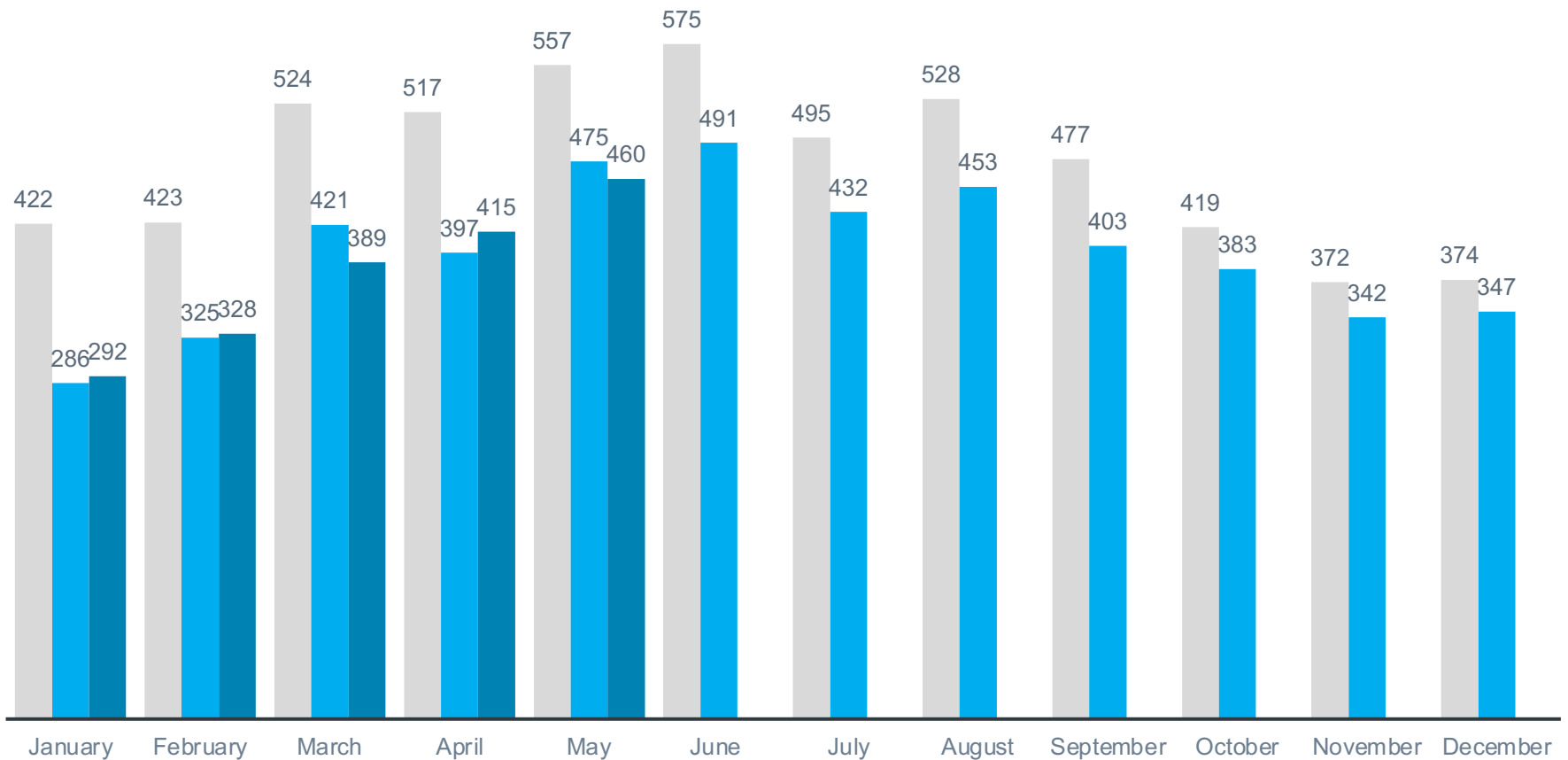
Median Months from Completion to Sold



Total Home Sales

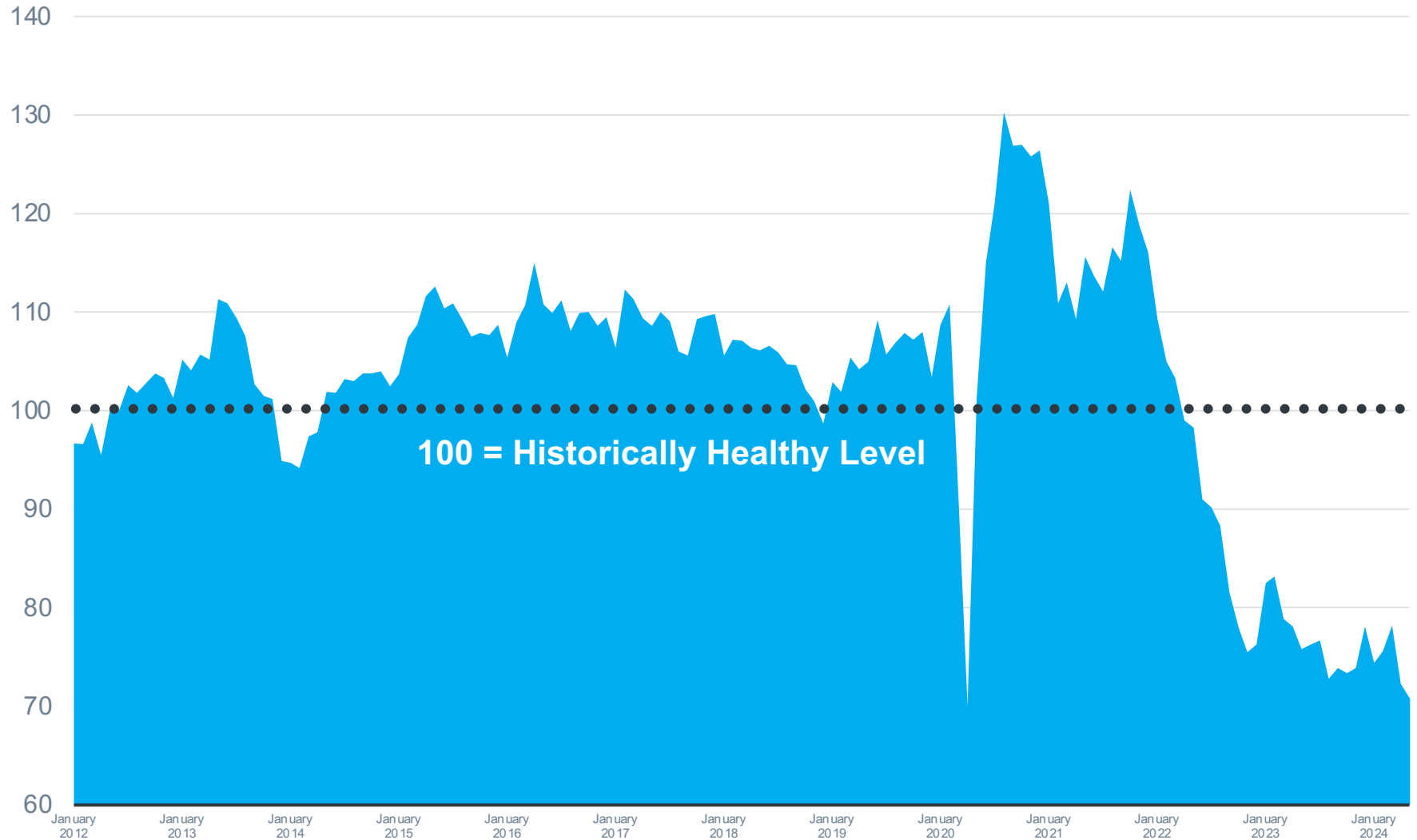
In Thousands

■ 2022 ■ 2023 ■ 2024



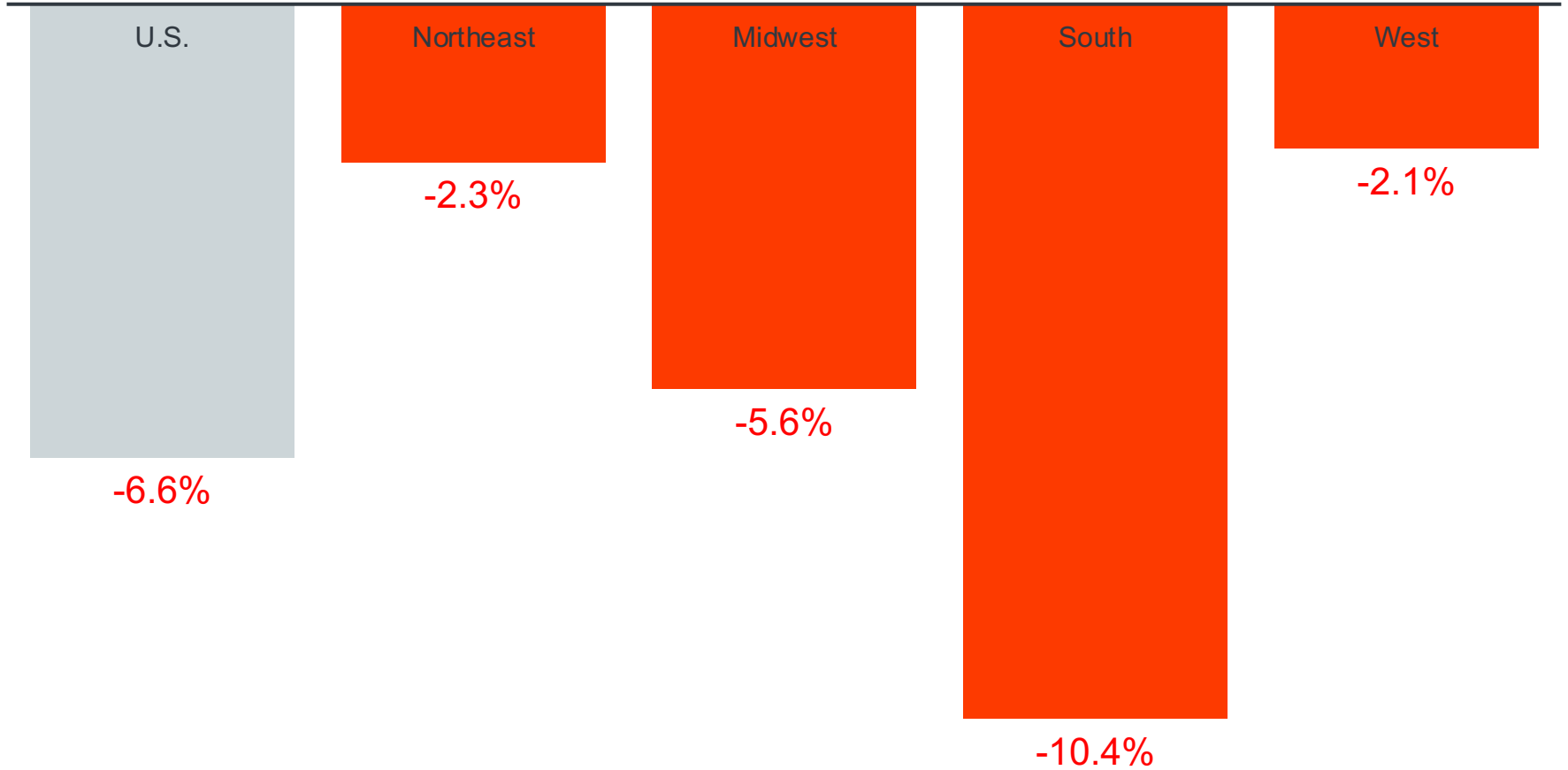
Source: Census

Pending Home Sales



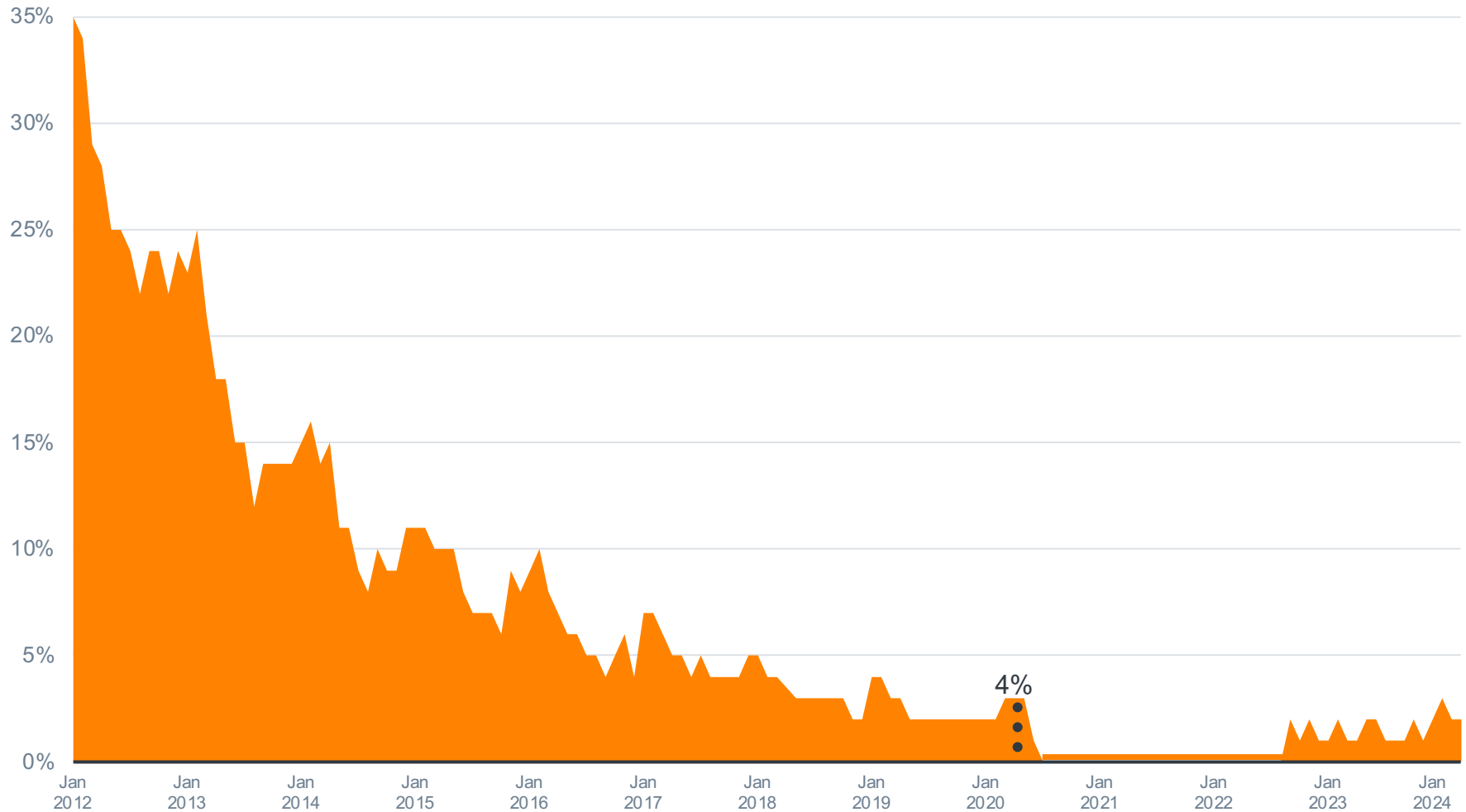
Pending Home Sales

Year-Over-Year by Region



Percentage of Distressed Property Sales

Distressed Sales (Foreclosures and Short Sales) Represented 2% of sales in May

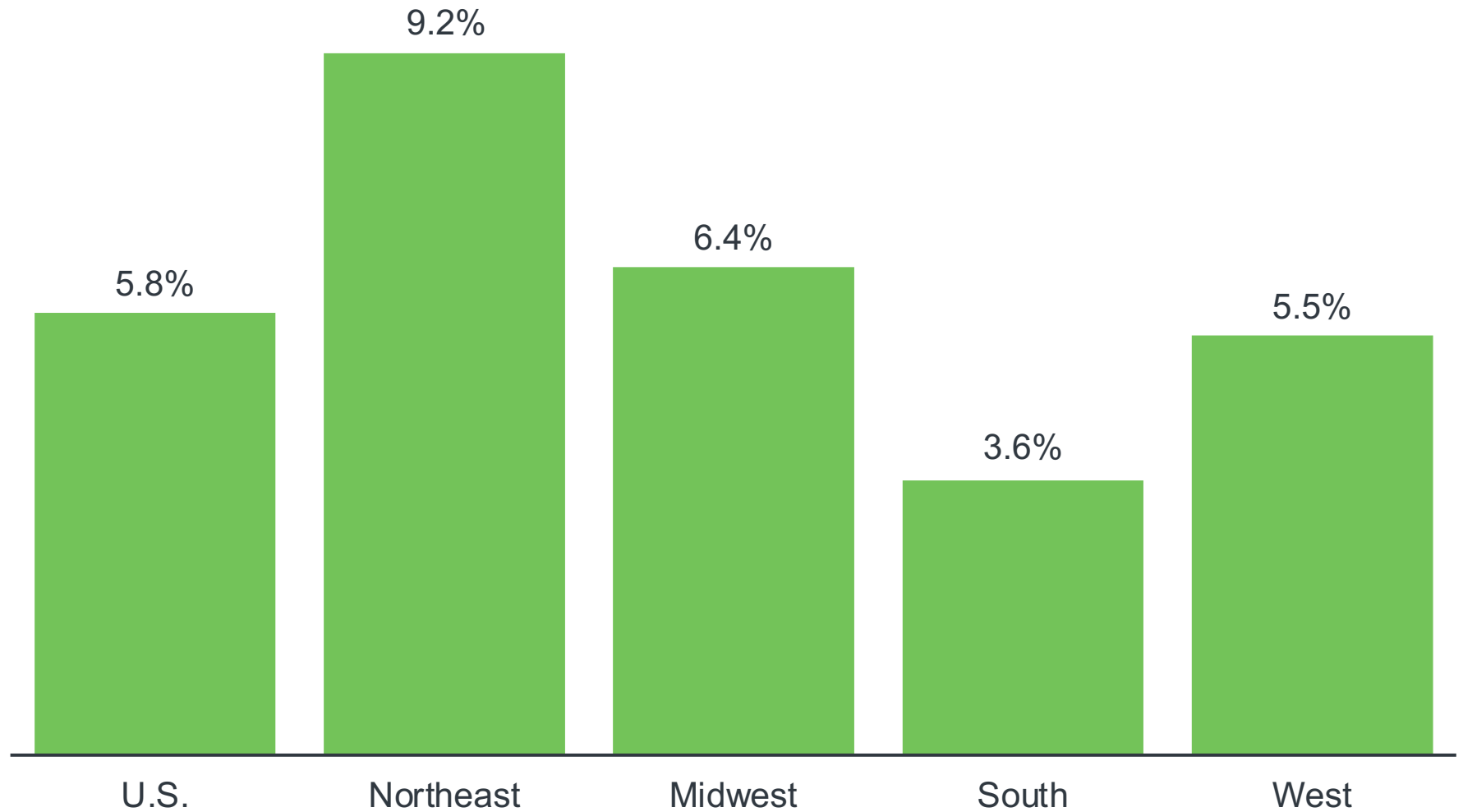




Home Prices

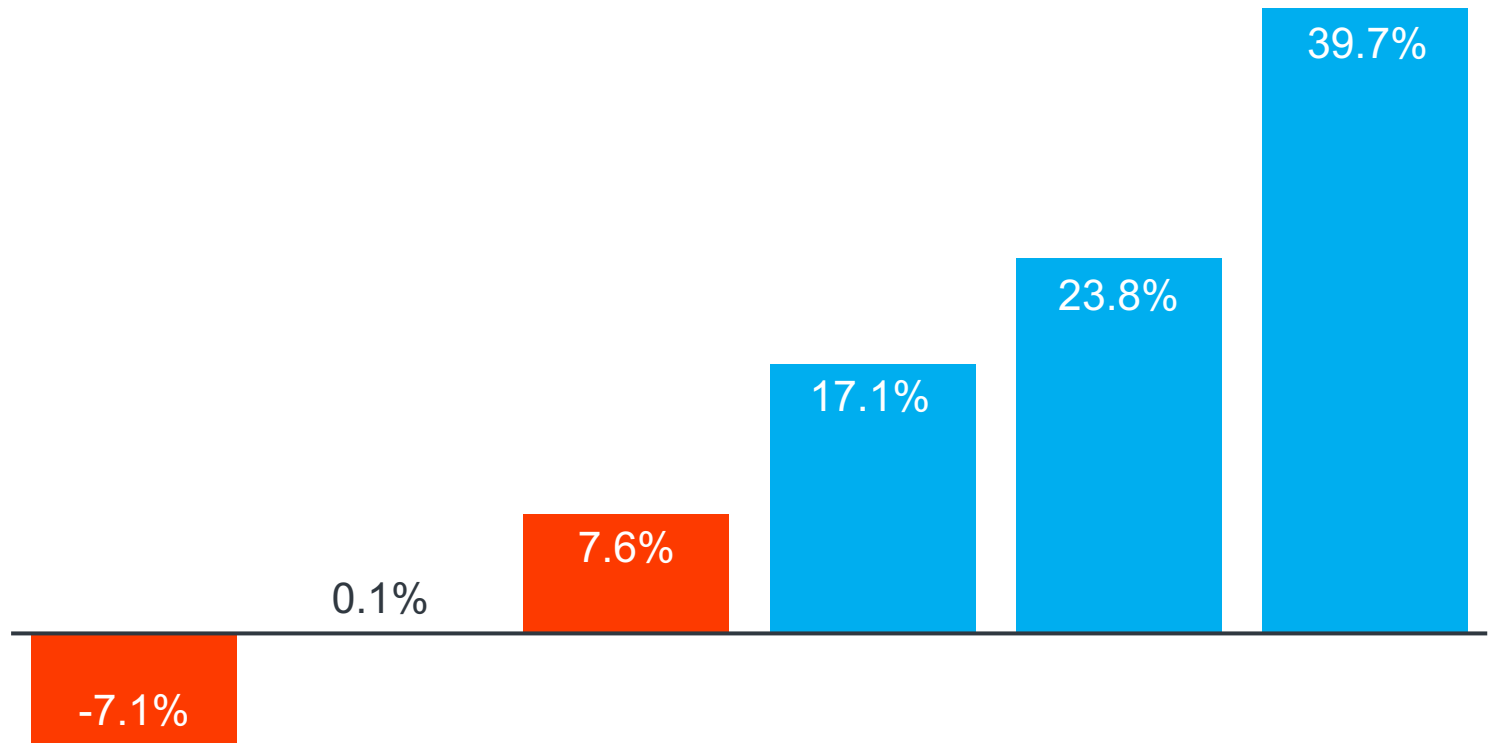
Sales Price of Existing Homes

Year-Over-Year, by Region



% Change in Sales

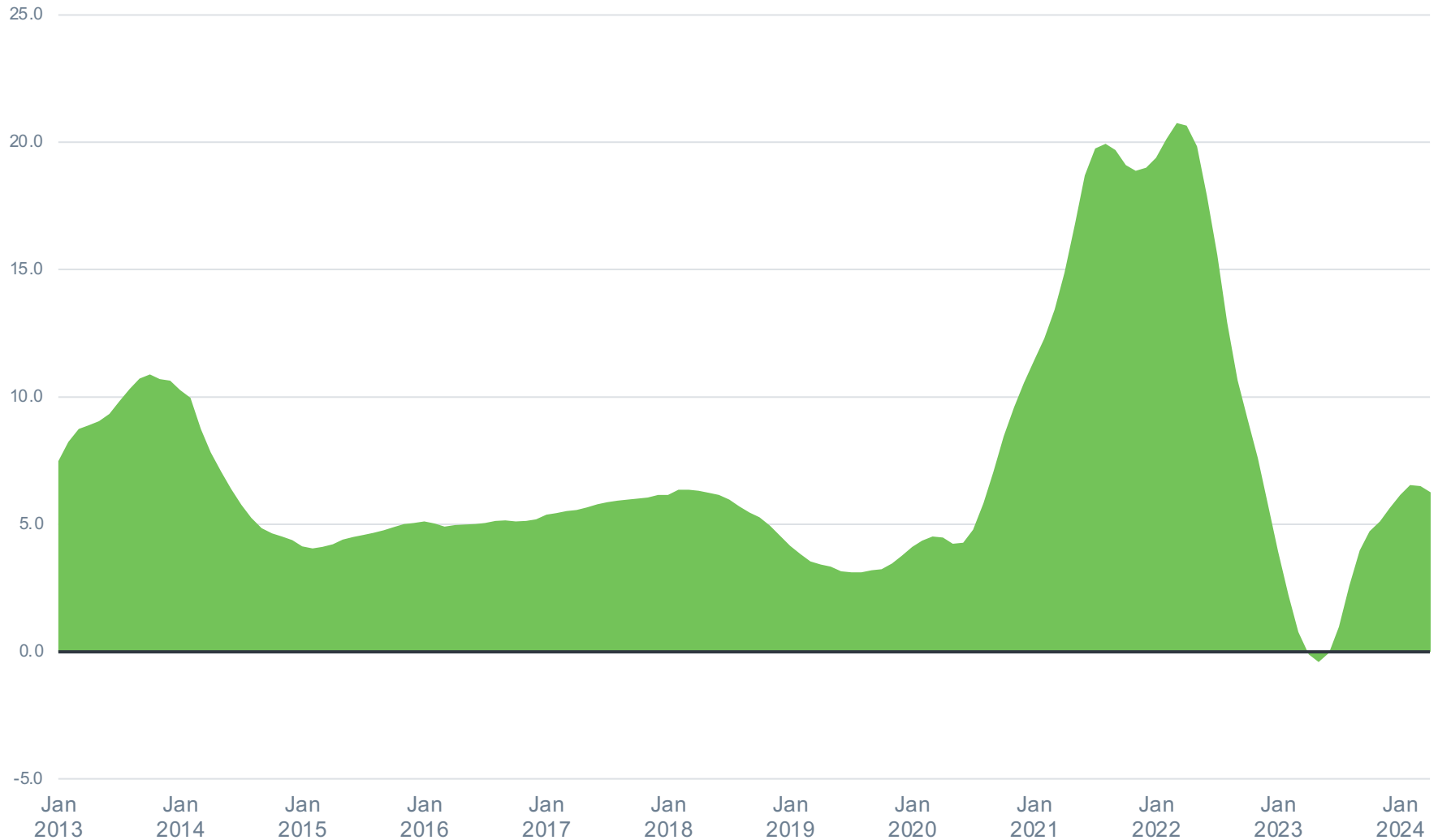
Year-Over-Year, by Price Range



	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
■ % change in sales	-7.1%	0.1%	7.6%	17.1%	23.8%	39.7%

Change in Home Prices

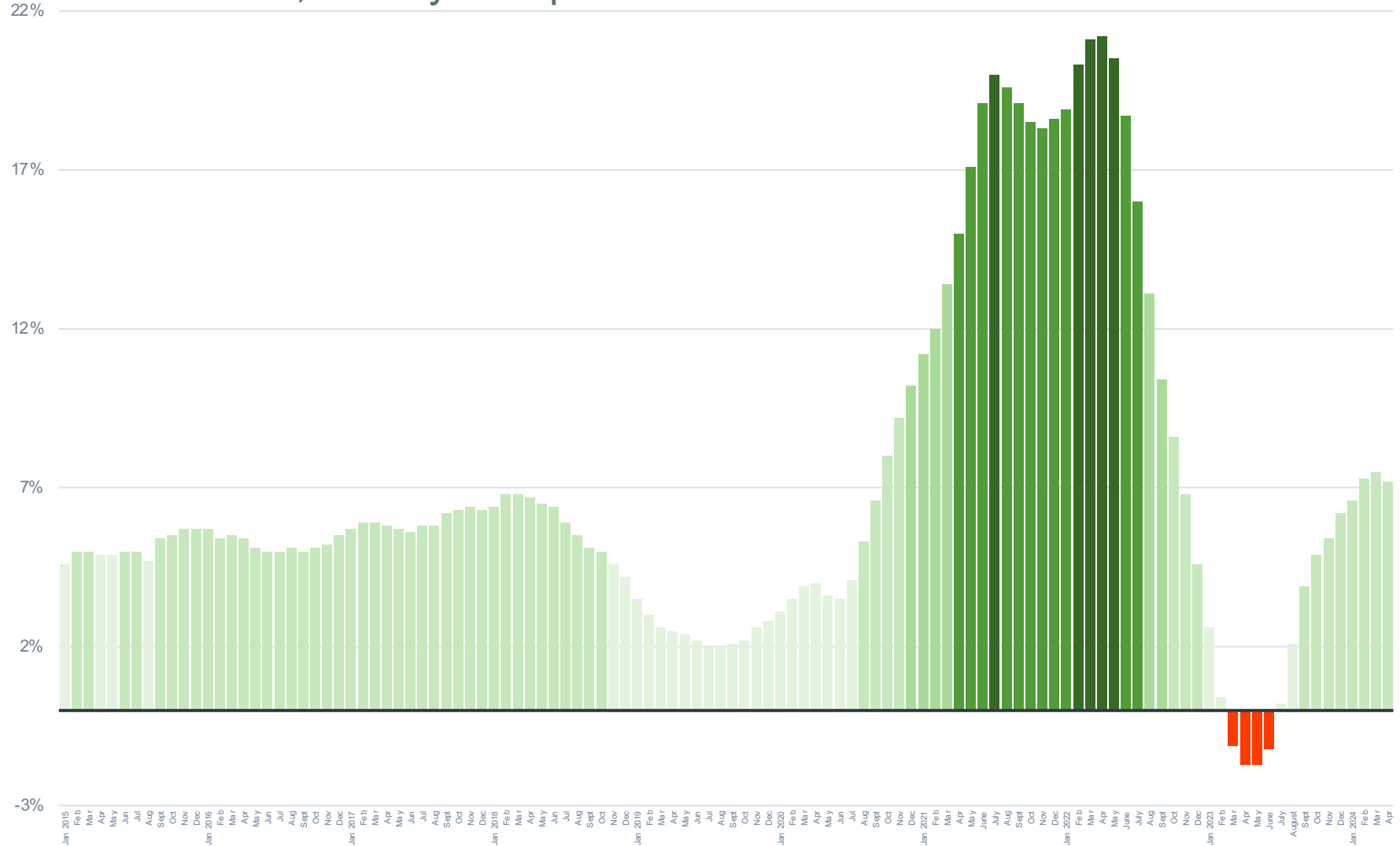
Year-Over-Year



Source: S&P Case-Shiller

Change in Home Prices

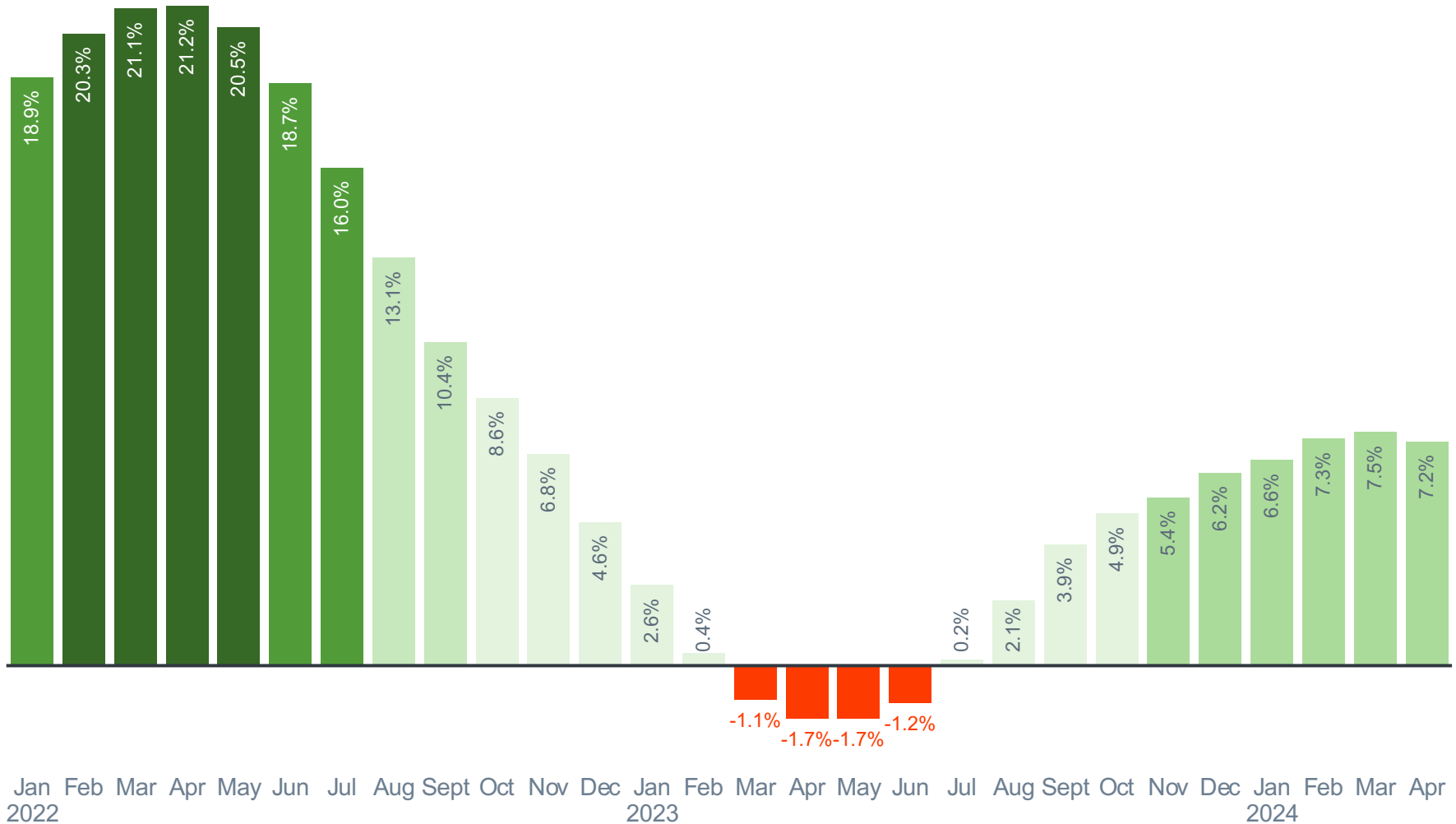
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Change in Home Prices

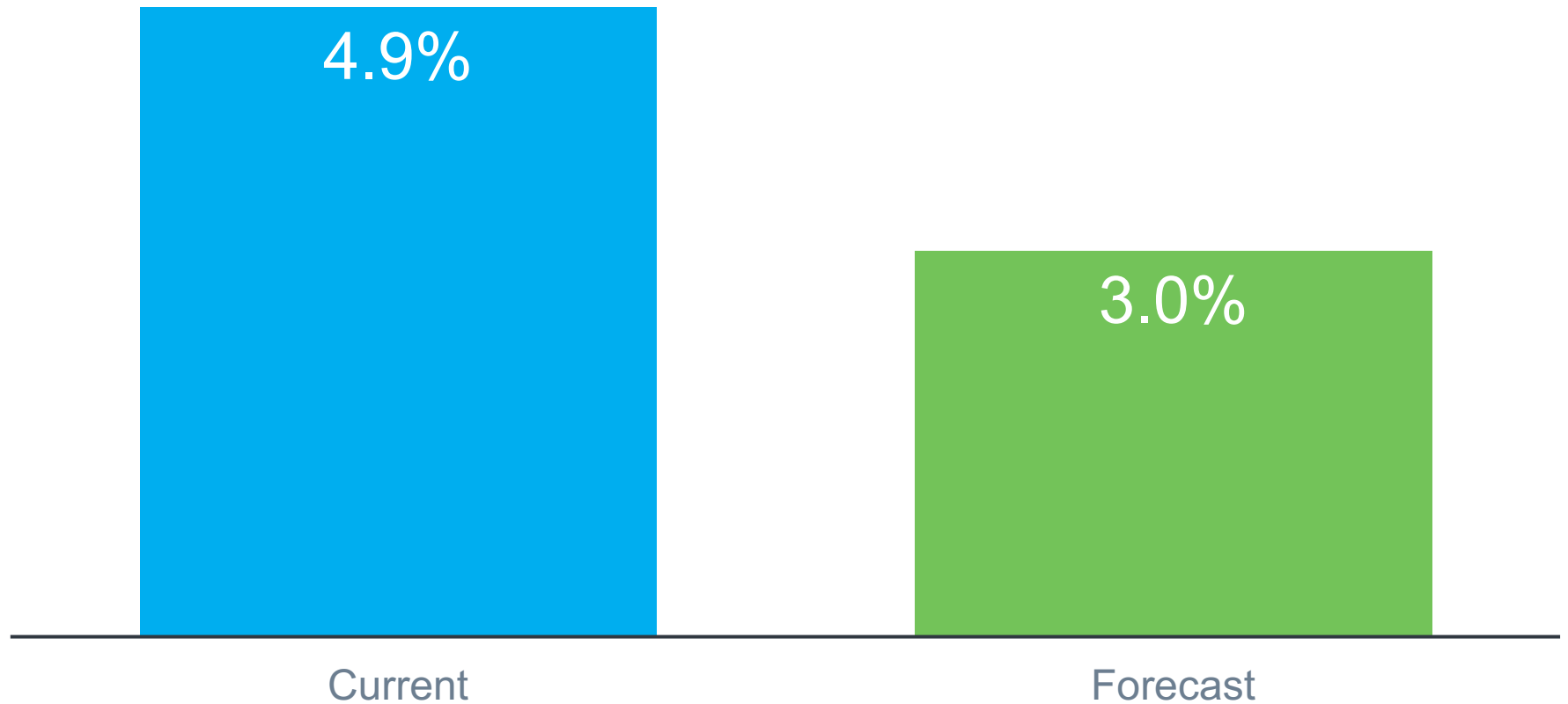
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Year-Over-Year % Change in Price

US Home Price Insights – May 2024

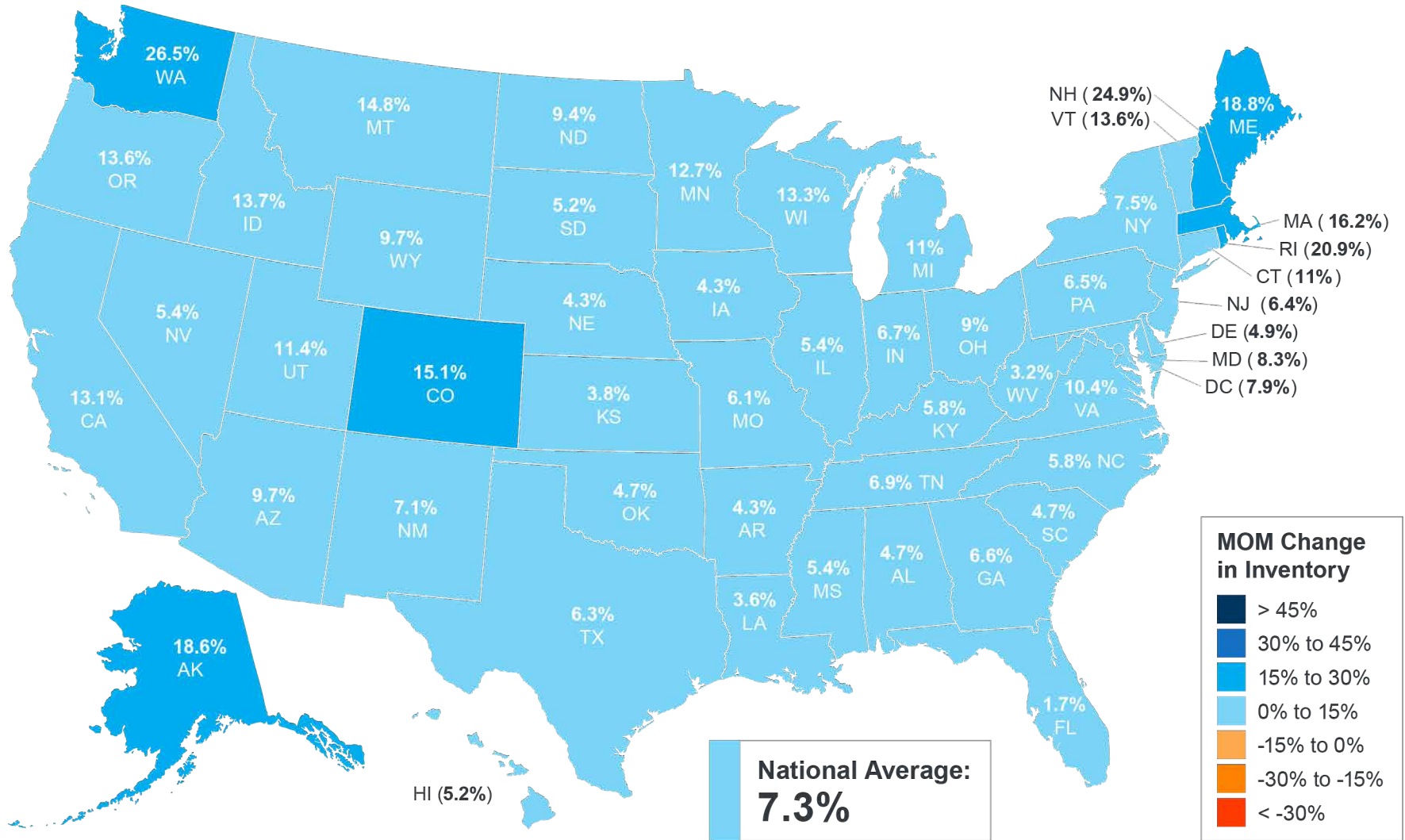




Housing Inventory

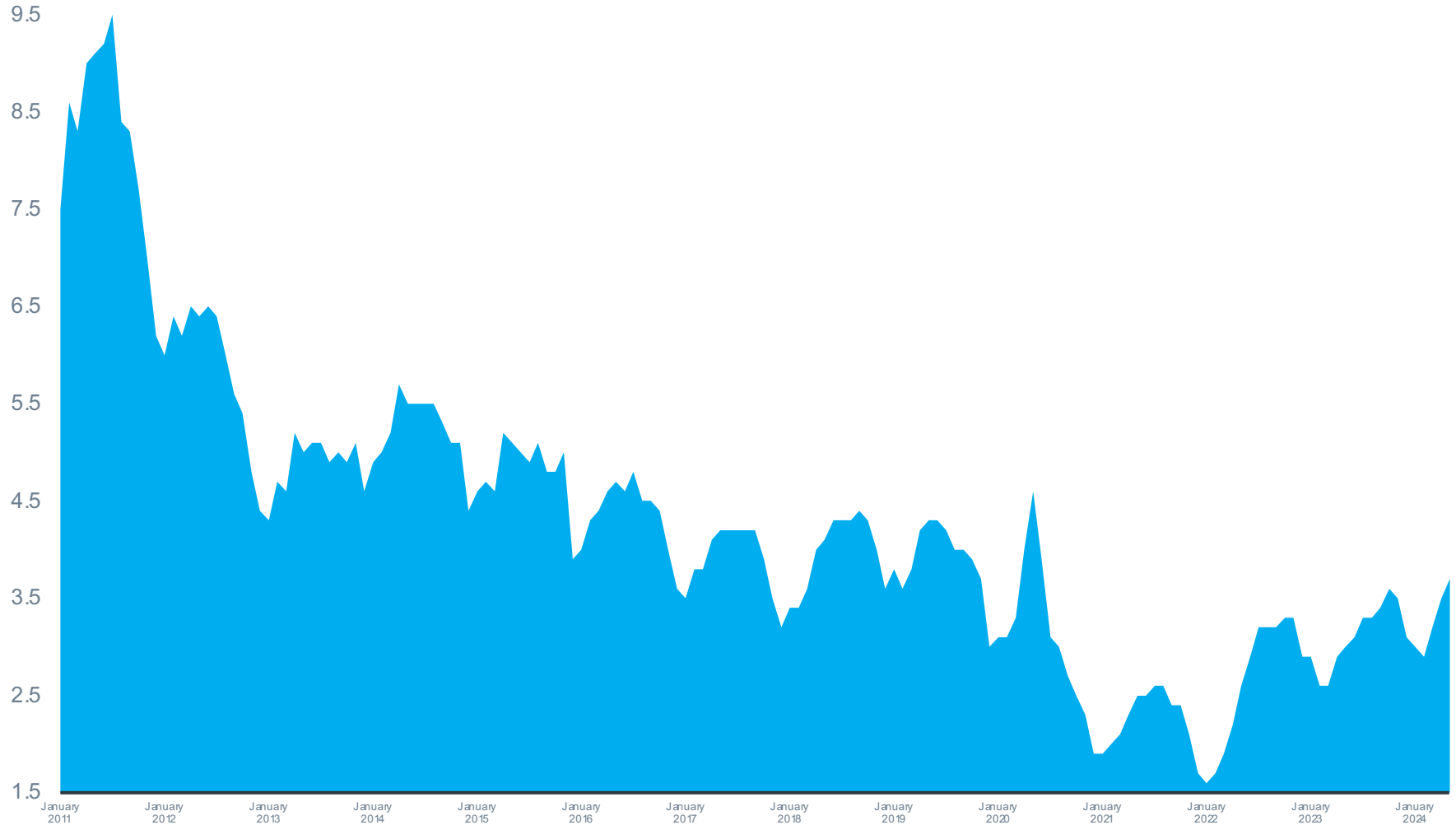
Change in Inventory

Month-Over-Month, May 2024



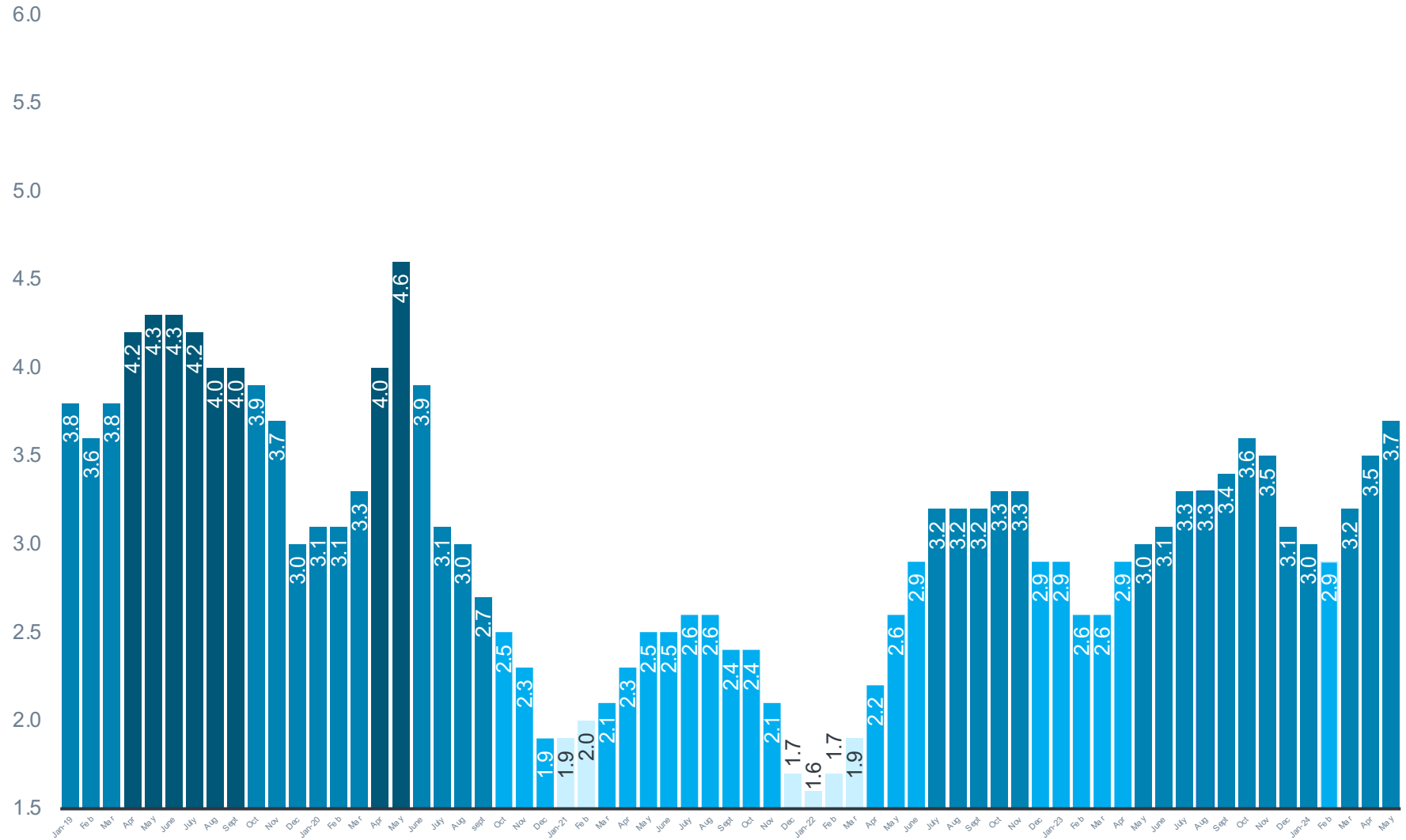
Months Inventory of Homes for Sale

2011 - Today

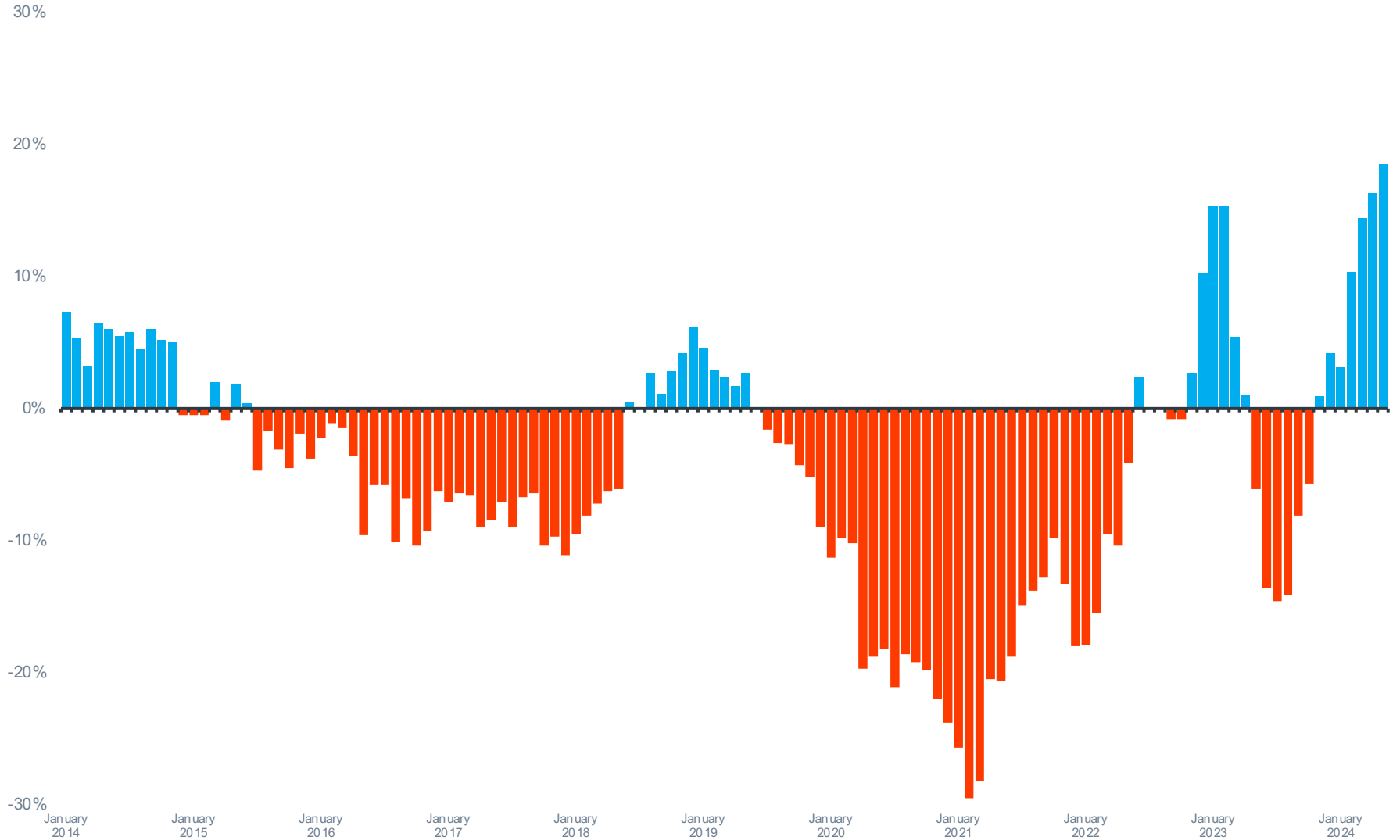


Months Inventory of Homes for Sale

Since 2019

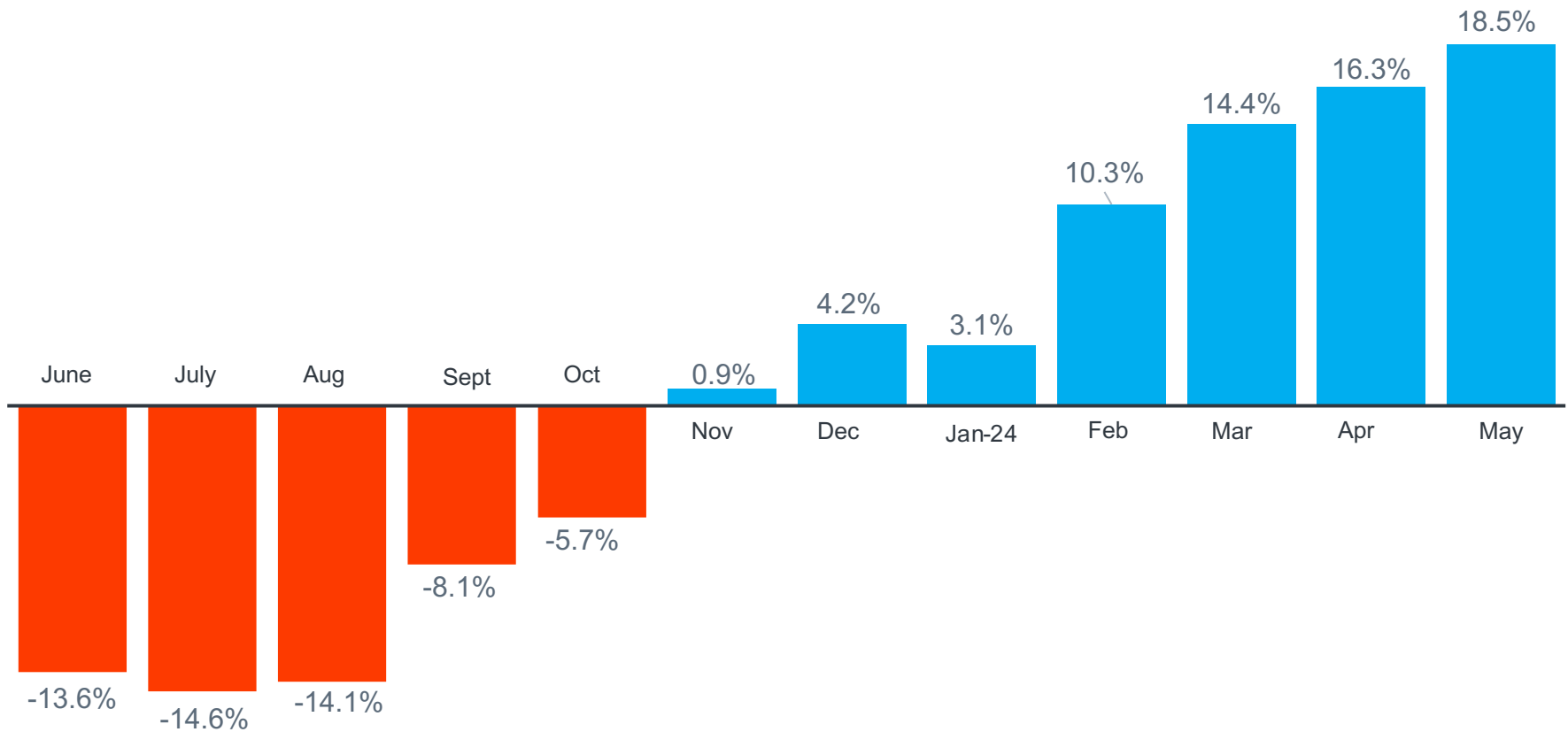


Year-Over-Year Inventory Levels



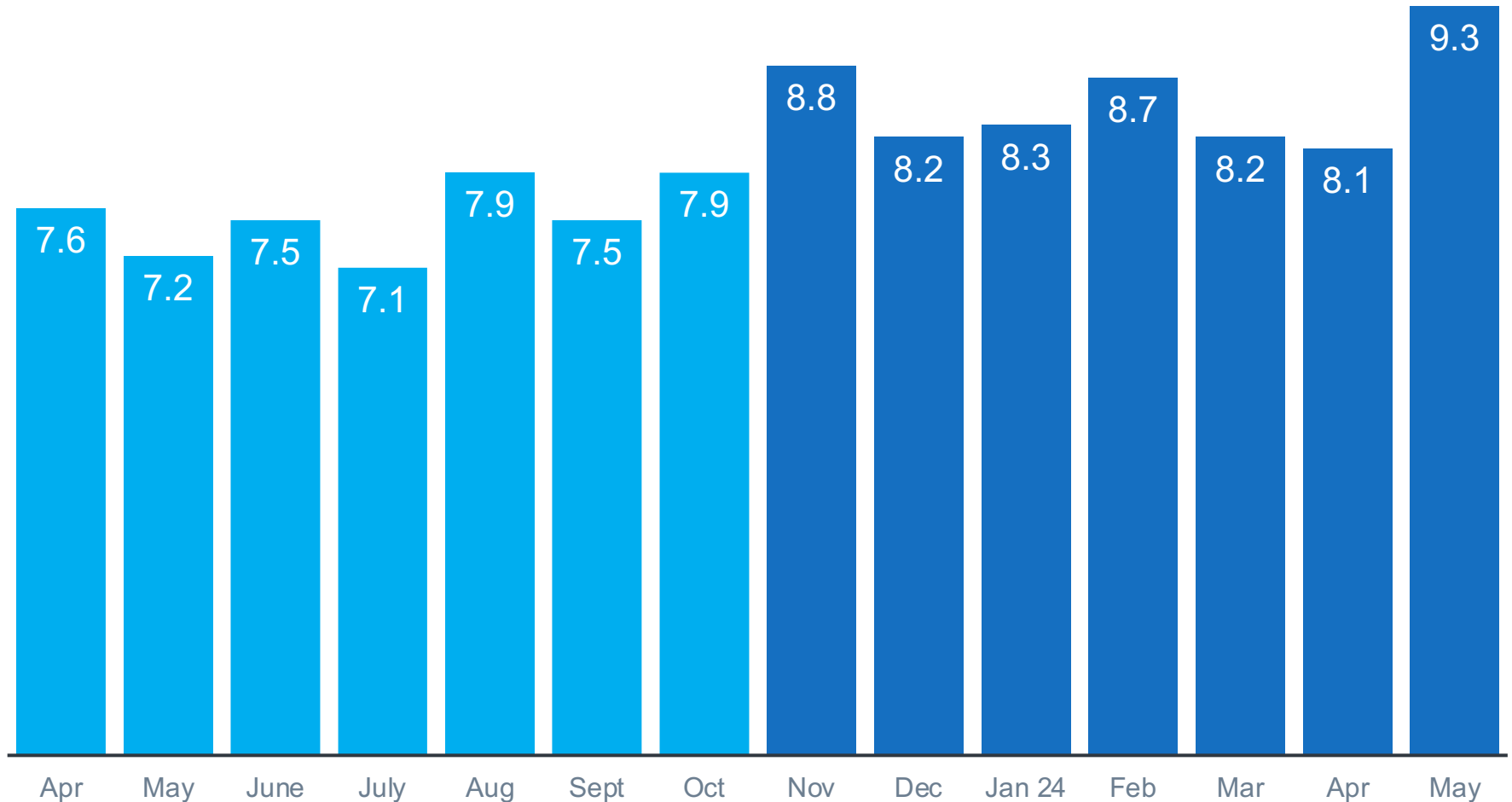
Year-Over-Year Inventory Levels

Last 12 Months



New Home Monthly Inventory

Seasonally Adjusted, Last 13 Months

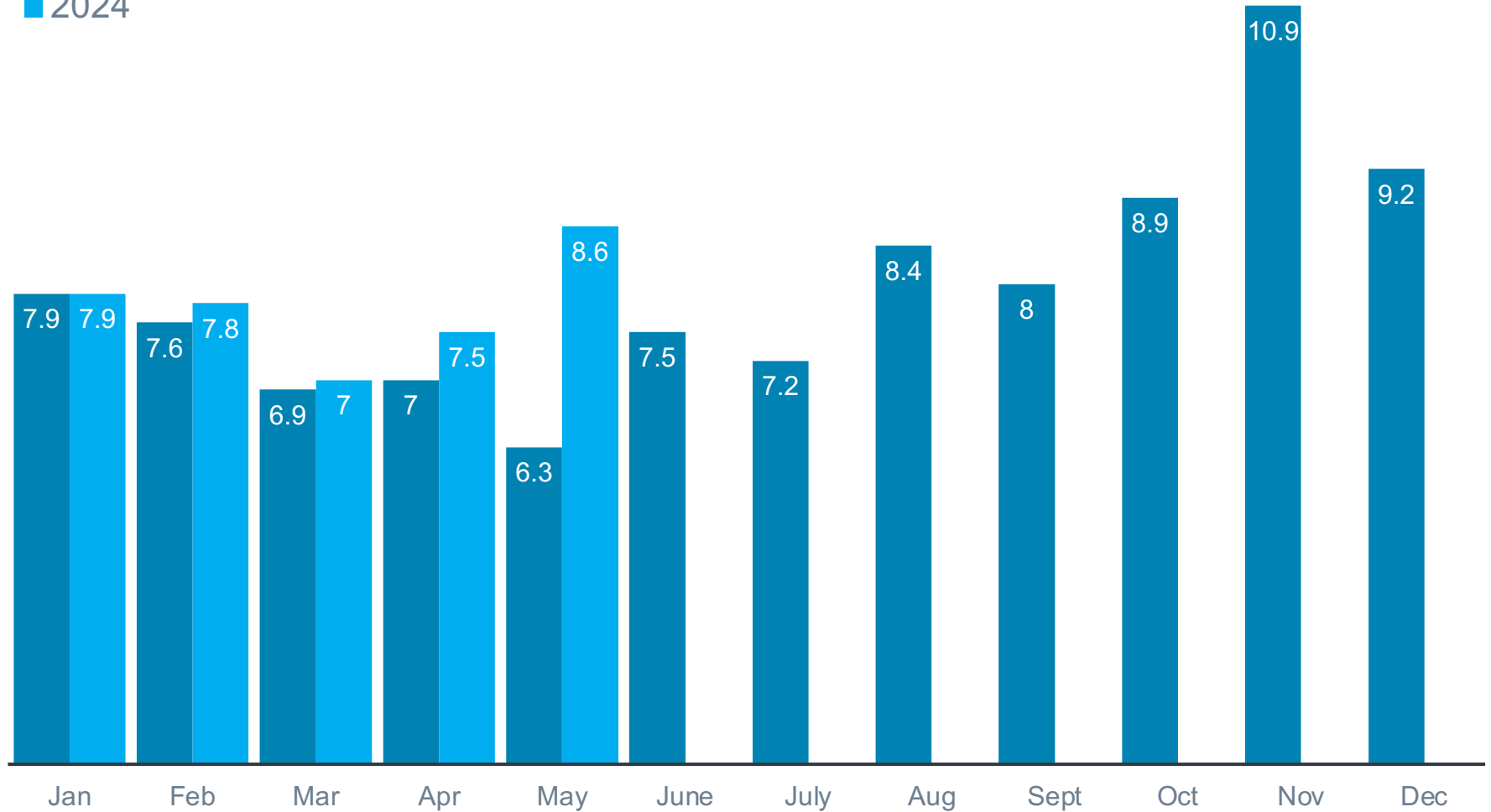


Source: Census

New Home Monthly Inventory

Non-Seasonally Adjusted

■ 2023
■ 2024



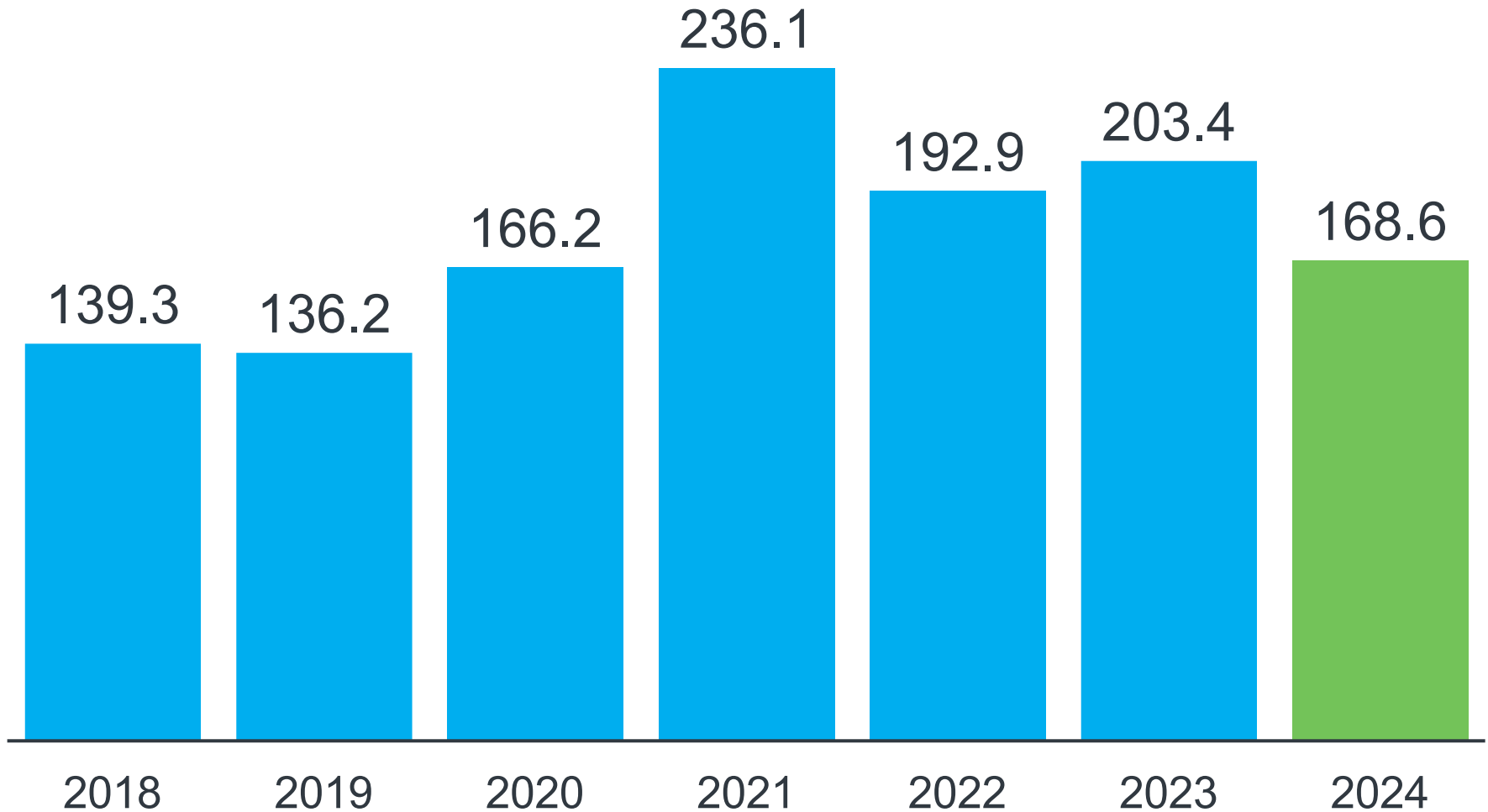
Source: Census

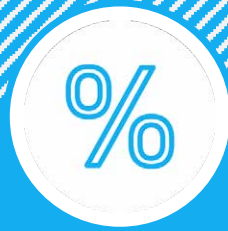


Buyer Demand

Showing Index Still Remain Above Pre-pandemic Levels

Showing Index over Last 7 Mays

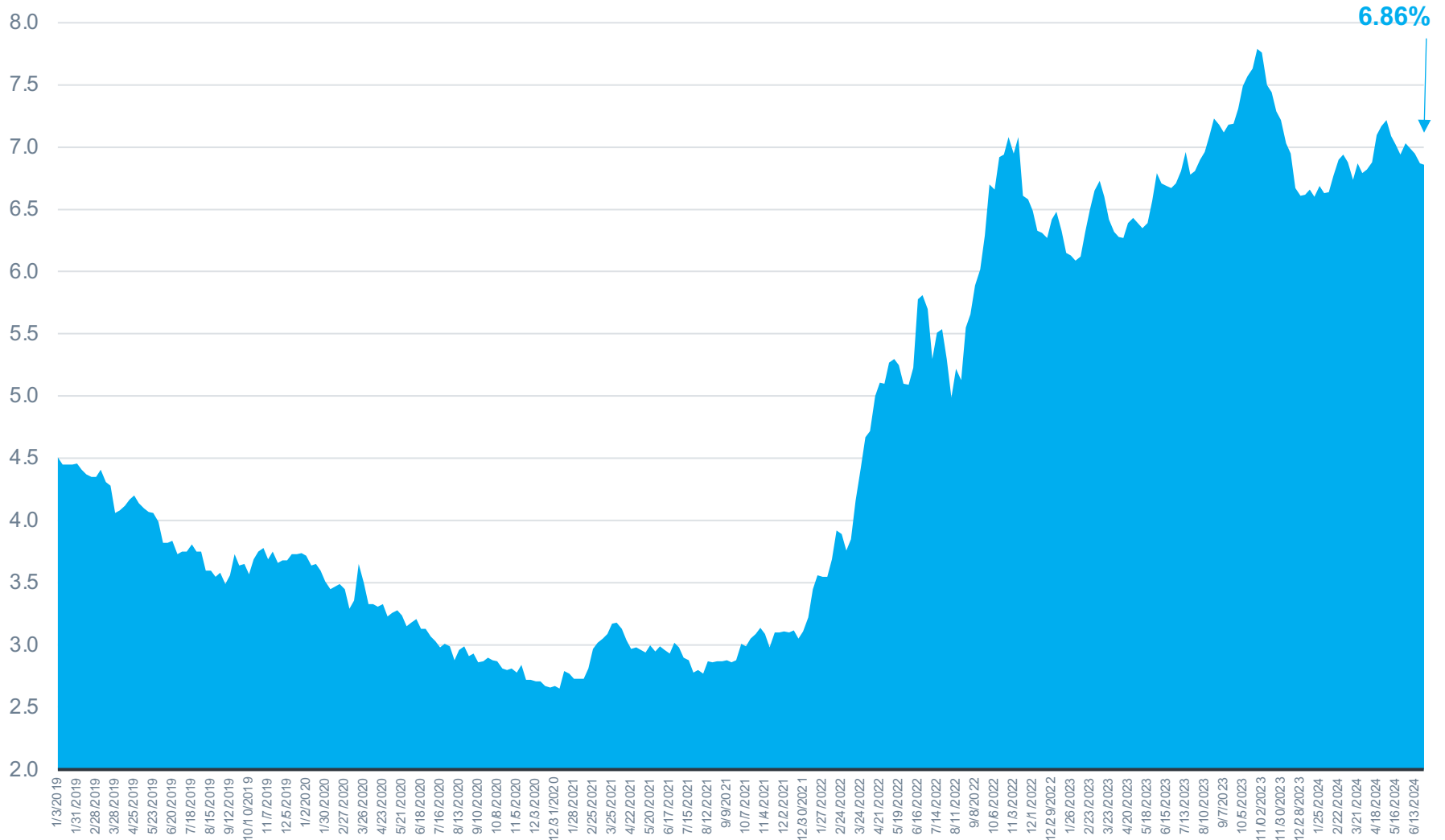




Mortgage Rates

Mortgage Rates

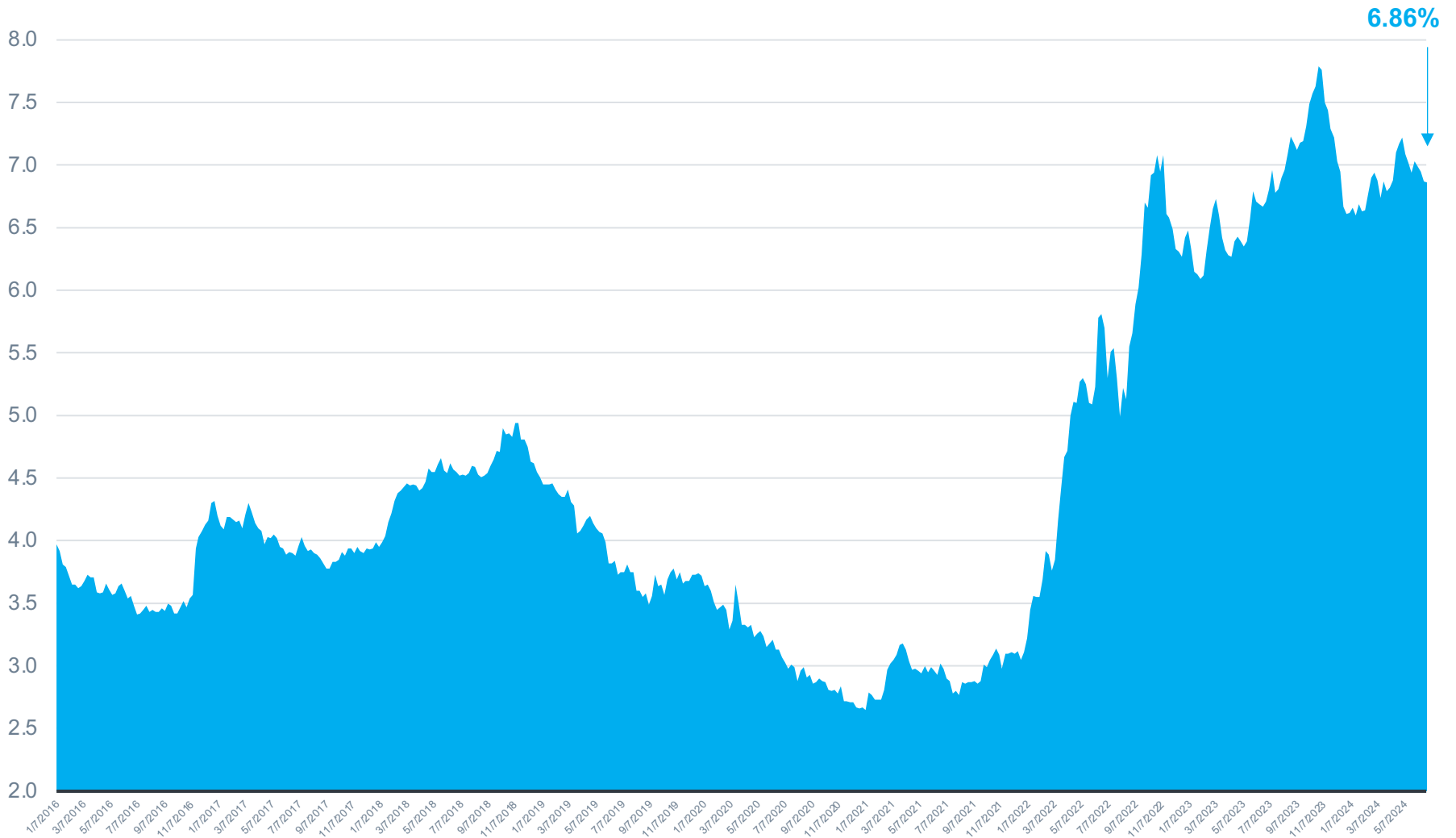
30-Year Fixed Rate, January 2018–Today



Source: Freddie Mac

Mortgage Rates

30-Year Fixed Rate, January 2016–Today



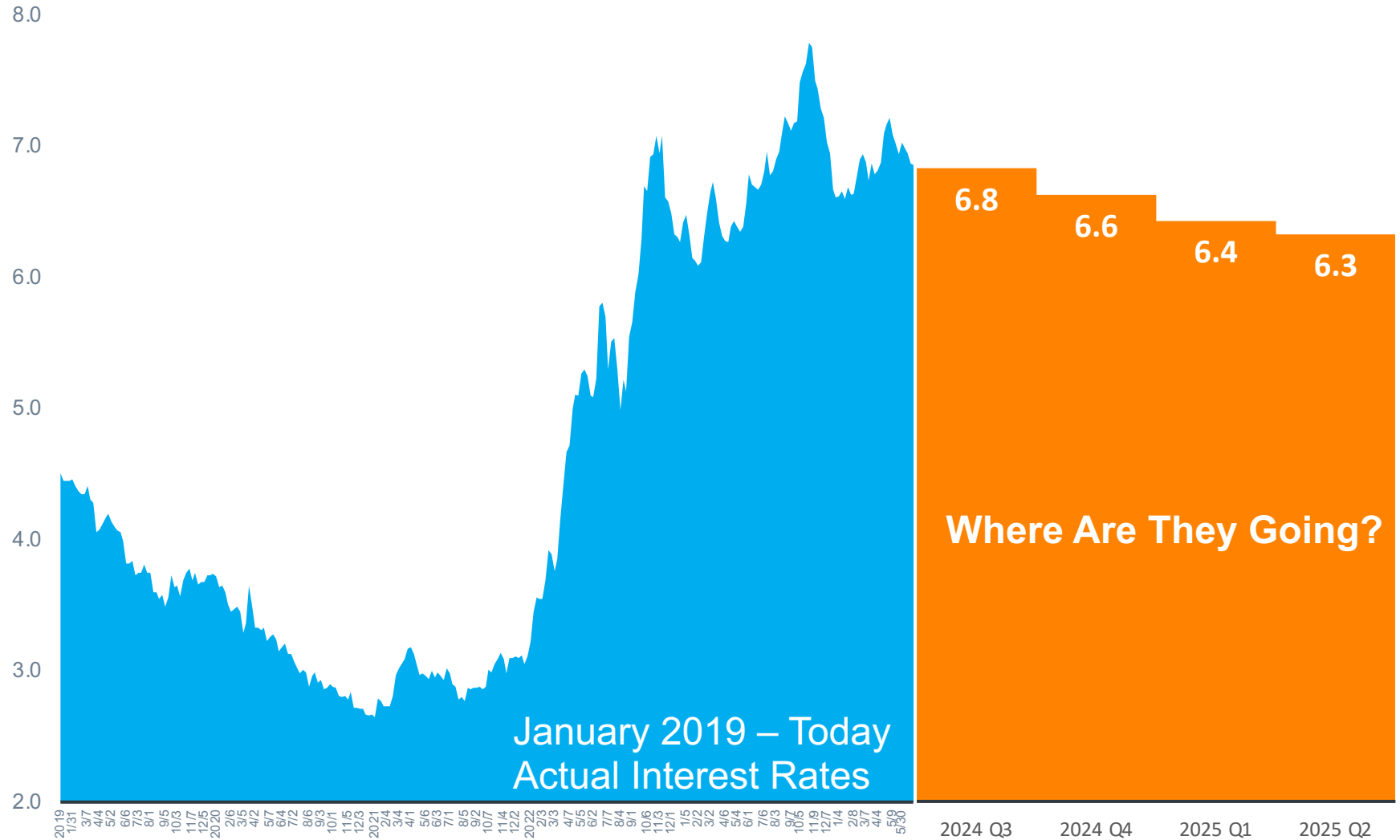
Mortgage Rate Projections

May 2024

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2024 Q3	6.80%	6.80%	6.90%	6.83%
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Mortgage Rates

30-Year Fixed Rate

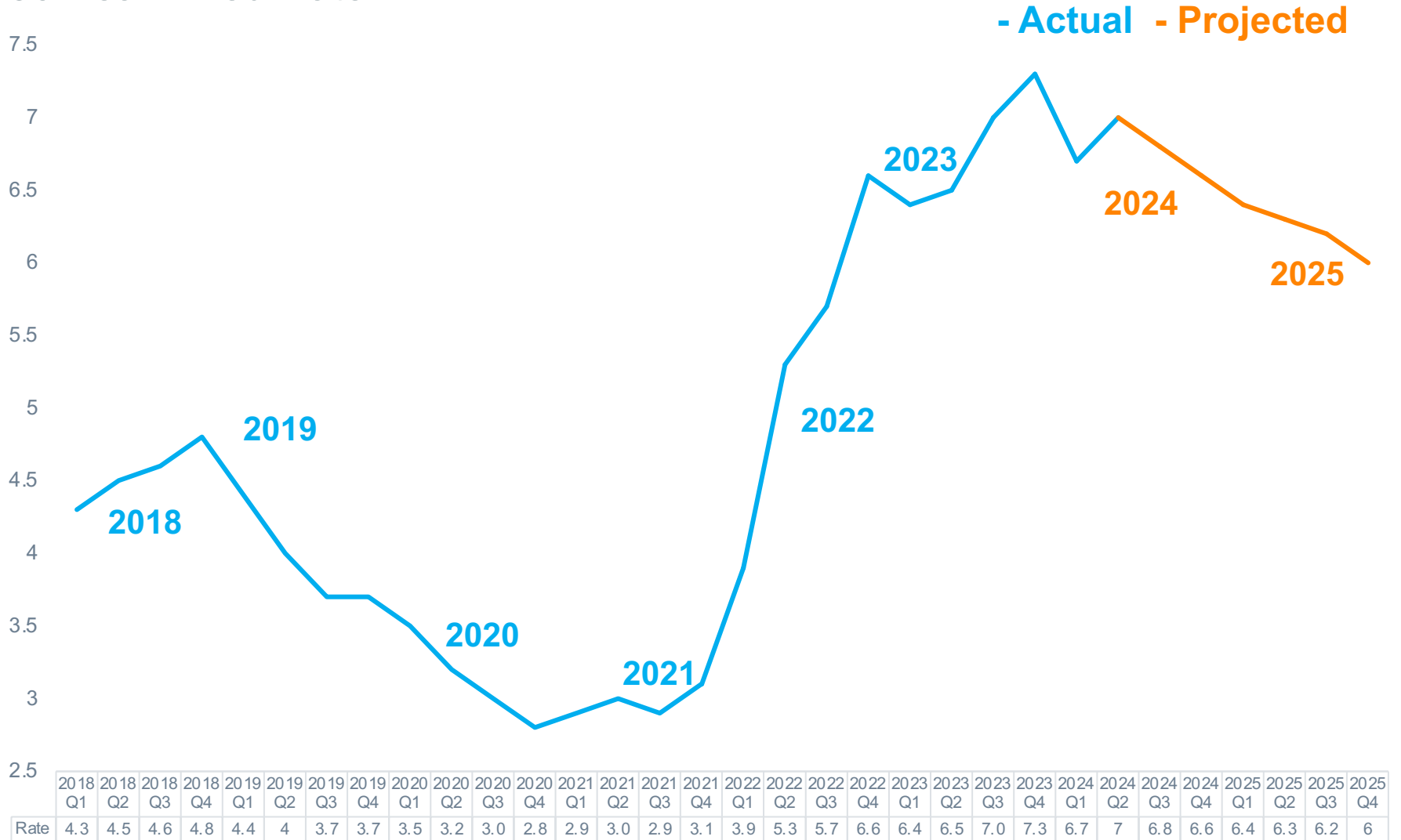


January 2019 – Today
Actual Interest Rates

Where Are They Going?

Mortgage Rates

30-Year Fixed Rate

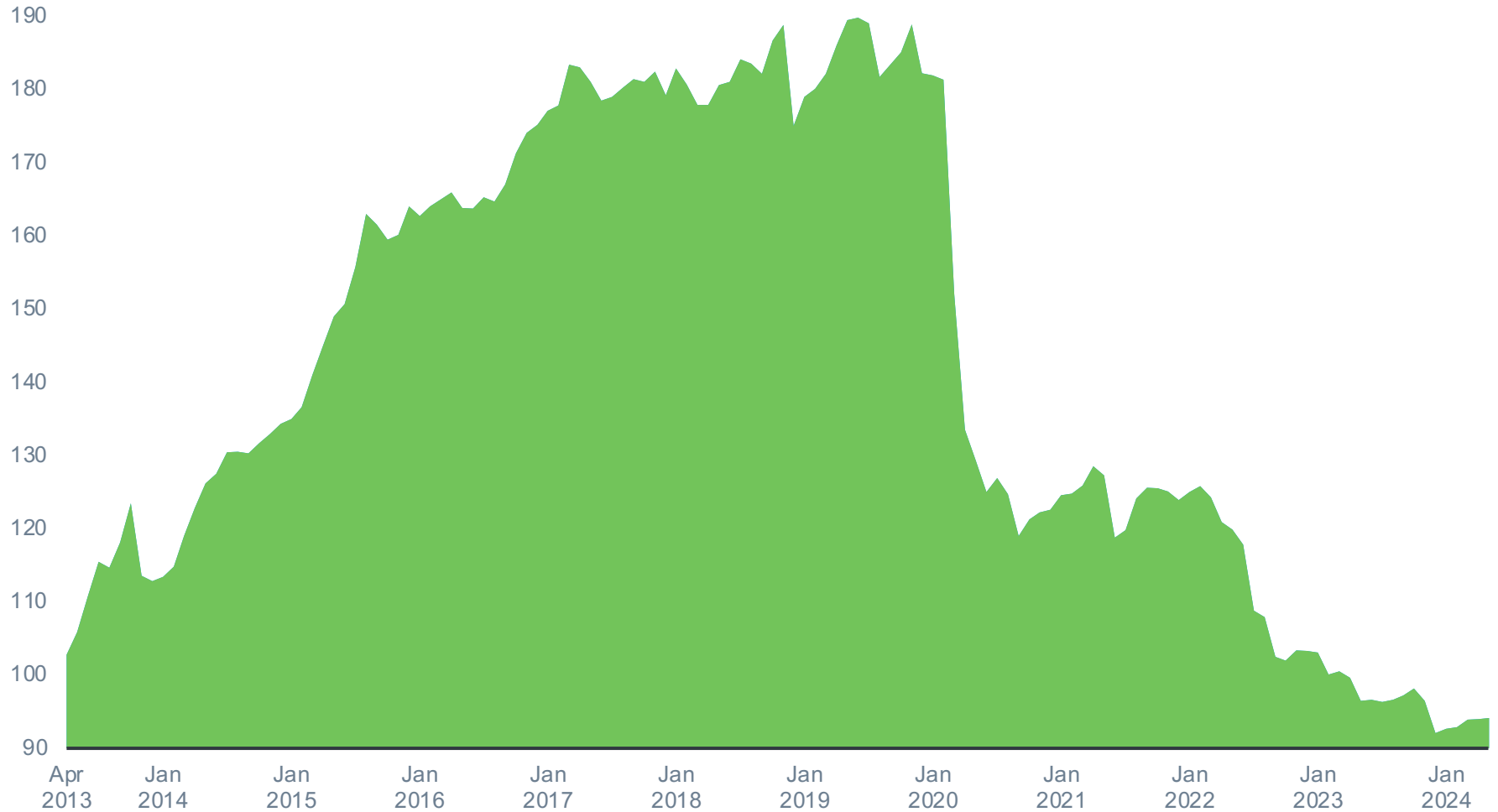




Mortgage Credit Availability

Mortgage Credit Availability Index (MCAI)

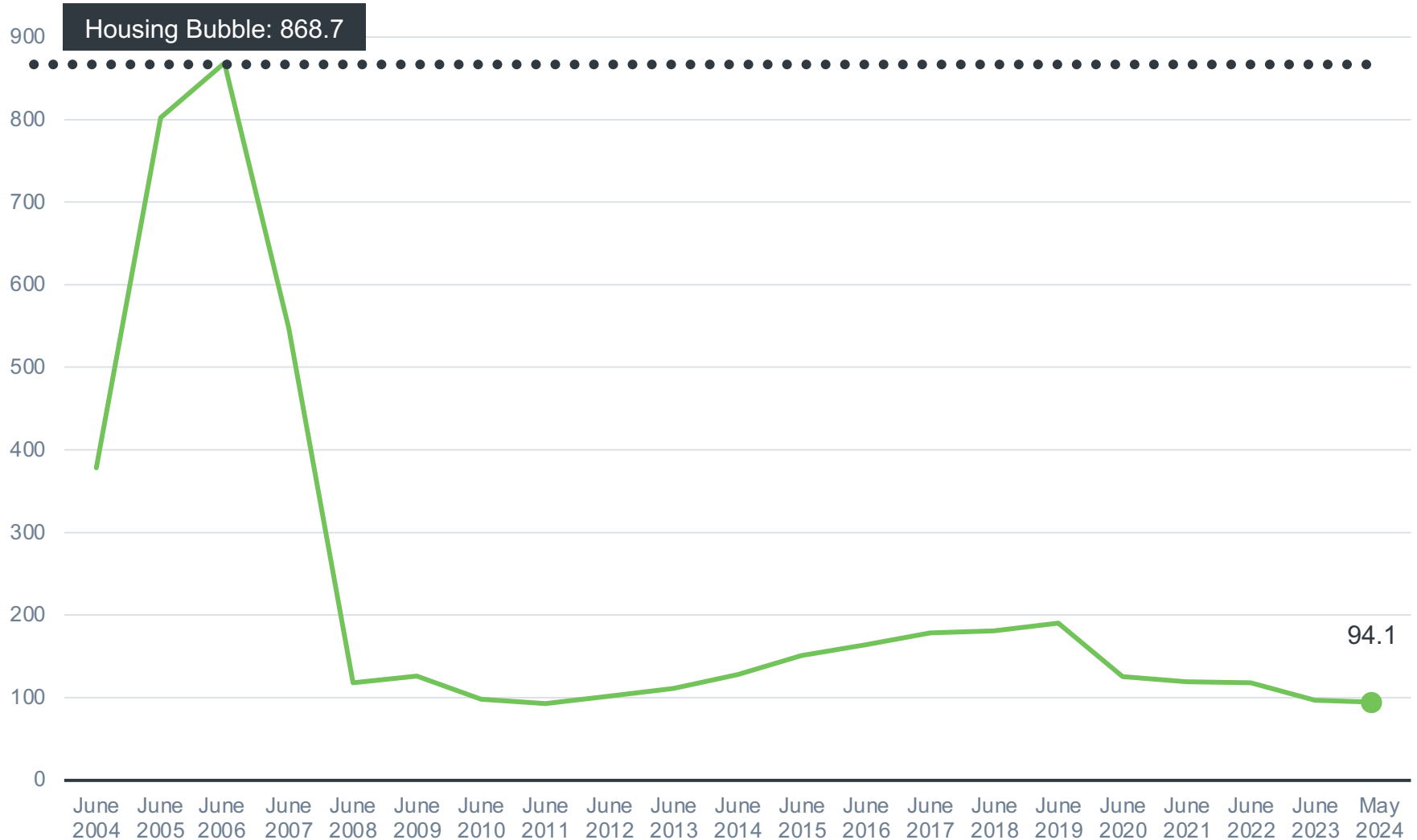
May 2024



Source: MBA

Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)



Resources

Slide(s)	Description	Link(s)
2	Lawrence Yun Quote	https://www.nar.realtor/newsroom/pending-home-sales-ascended-3-4-in-march
3	Total Home Sales Forecasts Chart	https://www.fanniemae.com/media/51616/display https://img03.en25.com/Web/MortgageBankersAssociation/%7Bb6d58e6f-e78a-4fd4-bef9-65cb74bf18cc%7D_Mortgage_Finance_Forecast_Jun_2024.pdf https://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2024-us-economic-outlook-06-27-2024.pdf
4	Lawrence Yun Quote	https://www.nar.realtor/newsroom/pending-home-sales-dropped-2-1-in-may

Resources

Slide(s)	Description	Link(s)
5	Home Price Forecasts Graph	https://x.com/NewsLambert/status/1797659853403672983/photo/1 https://img03.en25.com/Web/MortgageBankersAssociation/%7B7e604828-7f2c-4117-a76f-fe8f3e6bdafc%7D_Mortgage_Finance_Forecast_May_2024.pdf https://www.zillow.com/research/home-value-sales-forecast-33822/ https://www.fanniemae.com/media/51616/display https://www.freddiemac.com/research/forecast/20240418-economic-growth-moderated-labor-market-robust https://pulsenomics.com/surveys/ https://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2024-us-economic-outlook-06-27-2024.pdf
6	Jessica Lautz	https://finance.yahoo.com/news/housing-experts-revise-mortgage-rate-forecasts-for-remainder-of-2024-113354358.html
7	Months' Inventory of Homes for Sale Graph	https://www.nar.realtor/topics/existing-home-sales https://cdn.nar.realtor/sites/default/files/documents/ehs-05-2024-overview-2024-06-21.pdf

Resources

Slide(s)	Description	Link(s)
8	Mortgage Rate Projections Table	https://www.fanniemae.com/media/51616/display https://img03.en25.com/Web/MortgageBankersAssociation/%7Bb6d58e6f-e78a-4fd4-bef9-65cb74bf18cc%7D_Mortgage_Finance_Forecast_Jun_2024.pdf https://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2024-us-economic-outlook-06-27-2024.pdf
9	Mortgage Rates Graph	https://www.mba.org/news-and-research/forecasts-and-commentary/mortgage-finance-forecast-archives https://img03.en25.com/Web/MortgageBankersAssociation/%7Bb6d58e6f-e78a-4fd4-bef9-65cb74bf18cc%7D_Mortgage_Finance_Forecast_Jun_2024.pdf
10	Fed Funds Rate Cut Table	https://x.com/NickTimiraos/status/1800128276725469193 https://www.housingwire.com/articles/u-s-job-creation-exceeds-forecasts-signals-delays-in-rate-cuts/
11	Dennis Shirshikov Quote	https://themortgagereports.com/107380/real-estate-forecast-next-5-years
12	Al Lord Quote	https://themortgagereports.com/112291/how-do-presidential-elections-affect-real-estate

Resources

Slide(s)	Description	Link(s)
14	Recent Elections and Economic Uncertainty Timeline	https://www.foxbusiness.com/real-estate/real-estate-how-2024-election-impact-market
15	Ali Wolf Quote	https://www.realtor.com/news/trends/from-surg-ing-layoffs-to-a-presidential-election-what-will-2024-bring-for-the-housing-market/
16	Election Years Seasonal Drop in Sales Chart	https://researchwiseny.btig.com/ResearchLibraryAnalec/DownloadResearch.aspx?E=cafidk-b
17	Home Sales Up After Elections Table	https://www.huduser.gov/periodicals/ushmc/fall08/hist_data.pdf https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales
18	Ryan Lundquist Quote	https://sacramentoappraisalblog.com/2023/11/08/the-housing-market-during-a-presidential-election-year
19	Existing Home Prices Up After Elections Table	https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales

Resources

Slide(s)	Description	Link(s)
20	New Home Prices Up After Elections Table	https://www.census.gov/construction/chars/
21	Ali Wolf Quote	https://www.forbes.com/sites/dimawilliams/2020/02/16/here-is-what-a-presidential-election-means-for-home-sales-and-prices/?sh=30dd225325fc
22	Mortgage Rates Decreased After Elections Table	https://www.freddiemac.com/pmms/archive
23	Bankrate Quote	https://www.bankrate.com/real-estate/election-year-housing-market/
25	Tom Ferry Quote	https://www.inman.com/2024/06/13/tom-ferry-the-nar-settlement-is-a-once-in-a-lifetime-opportunity/
26	Negotiated Commission Pie Chart	https://listwithclever.com/research/real-estate-commission-changes-2024/?utm_source=press+release&utm_medium=pr&utm_campaign=agent_survey_2024

Resources

Slide(s)	Description	Link(s)
46	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
47-49, 56, 58, 59, 66-69	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
50-52	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales
53	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
54-55	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
60-62	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
63	CoreLogic Price Forecast	https://www.corelogic.com/intelligence/u-s-home-price-insights/

Resources

Slide(s)	Description	Link(s)
65-71	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.realtor.com/research/data/
73	Showing Activity	https://www.showingtime.com/blog/
75, 76, 78, 79	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/ https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary
77	Mortgage Rate Projections	http://www.fanniemae.com/portal/research-insights/forecast.html https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://www.nar.realtor/research-and-statistics
81, 82	Mortgage Credit Availability	https://www.mba.org/news-research-and-resources/newsroom https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/mortgage-credit-availability-index

Resources

Slide(s)	Description	Link(s)
27	NAR Settlement Awareness Low Pie Chart	https://1000watt.net/
28	NAR Settlement Impact Chart	https://listwithclever.com/research/real-estate-commission-changes-2024/?utm_source=press+release&utm_medium=pr&utm_campaign=agent_survey_2024
29	Gary Keller Quote	https://www.inman.com/2024/06/13/tom-ferry-the-nar-settlement-is-a-once-in-a-lifetime-opportunity/
30-33	Opinions on NAR Survey	https://1000watt.net/
34	Jimmy Burgess Quote	https://www.inman.com/2024/06/13/tom-ferry-the-nar-settlement-is-a-once-in-a-lifetime-opportunity/